US. ADM
LIBRARY

MAR 30 1945

Final Edition

ESTABLISHED OVER 100 YEARS

In 2 Sections—Section 1

The Commercial and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 161 Number 4372

New York, N. Y., Thursday, March 29, 1945

Price 60 Cents a Copy

Leon Fraser Supports Bankers' Position on Bretton Woods

Leon Fraser, President of the First National Bank of New York, appeared on March 20 before the House Committee conducting hearings on the Bretton Woods proposals and supported the International Bank "as based on constructive financial principles" but stated that the objectives of the Fund would be more successfully attained and American interests better safeguarded if it were consolidated into a Monetary Department of the Bank, thereby avoiding the creation of two independent institutions which would overlap. This merger would permit a simplification of the complicated and obscure structure of the Fund and eliminate the difficult problem of finding competent personnel to man two separate international institutions, he said.

Leon Fraser

He recommended that as a condition to membership in the consolidated Bank, countries agree to consult with the Monetary Department of the Bank as to the abandonment at the earliest prac-

(Continued on page 1378)

Index of Regular Features on page 1400.

Who Gets the Money And How Much?

By WILLIAM R. YENDALL
President, Richards-Wilcox Canadian Company, Ltd.

Holding That Test of Economic Justice Is Found in Inequality of Personal Incomes, Writer Contends That Even if Individual Incomes Over $25,000 Were Distributed Among the Lowest Income Groups, Each Recipient Would Get the Equivalent of "a Chocolate Bar a Day." Asserts Advantages of Tariffs, Patents and Other Privileges Are Diffused Through the Whole Population in Wages, Taxes and Prices of Goods, and That Business Automatically Distributes Total Production Within a Narrow Margin of Complete Equity. Says Problem Is One of Making Wages Buy More and That Elimination of Manpower Waste is Key.

Monopolies, tariffs, interlocking directorates, patents, bank credit, and the "profit system"—how much do they cost the American people in dollars and cents? How much better off would we be if we could abolish them?

We cannot measure separately the effect of each of these so-called "injustices" of our private enterprise system, but there is a simple method of figuring the total result of all of them put together, so far as they affect personal incomes, and that is what counts.

William R. Yendall

We need not concern ourselves with the profits of corporations as such. The major part of such profits are used to expand the business. That is the way a nation grows and raises its standard of living.

There is no proper quarrel with business profits that are used for more buildings, more machinery,

(Continued on page 1388)

The Defects of the International Monetary Fund

By W. L. HEMINGWAY*
President, Mercantile-Commerce Bank and Trust Co., St. Louis
Past President of the American Bankers Association

Prominent Banker, After Describing the Principal Defect of the International Monetary Fund as an Exchange Clearing System, Lists His Objections, as (1) in Granting Loans, the Fund Makes No Distinction Between Credit Standing of Countries; (2) There Is Ambiguity in the Interpretation of the Fund's Provisions; (3) No Proper Control of the Management of the Fund; and (4) the Operations of the Fund Will Lead to Managed Economy and the Strict Control of Foreign Exchange Operations. Warns That "if Fund Should Fail It Will Create Discord and Will Encourage the Opponents of International Cooperation."

It seems to me that the only point at issue in connection with the Bretton Woods proposals is one of method. We are all aiming at the same target but some of us believe that we should go one route and others prefer another way. If it is just a matter of technicalities it would not be necessary to impose upon your time, but the differences are not mere technicalities, they are fundamental, we believe. For that reason I want to present to you our views about the Intenational Monetary

W. L. Hemingway

---

*A statement made by Mr. Hemingway to the House Banking and Currency Committee on H. R. 2211, the Bretton Woods Agreement Act, March 22, 1945.

(Continued on page 1384)

Edw. E. Brown Answers Criticisms Of International Monetary Fund

U. S. Banker Delegate to Bretton Woods Says Automatic Loan Provision Was Necessary as Compromise to Get Approval of Plan. Holds Plan Is Not Premature and Can Be Put Into Operation Before Post-War Reconstruction Is Accomplished.

Appearing before the House Committee on Banking and Currency in support of the "Bretton Woods Agreements Acts" on March 16, Edward E. Brown, Chairman of the Board of the First National Bank of Chicago, and the only U. S. delegate to the Bretton Woods Conference who is a professional banker, gave testimony as to the need and importance of a mechanism for international monetary stabilization in the post-war period, and took occasion to answer chief criticisms against the Monetary Fund.

Edward E. Brown

"While the criticisms of the Fund are many and varied," Mr. Brown said, "in the last analysis, they generally boil down to two basic criticisms:

"The first is that under the Fund Agreement, each nation has conditional rights, subject to various limitations, to use the resources of the Fund up to the amount of its quota. In other words, it has the right to borrow from the Fund over a period of years, and subject to conditions and limitations, up to the amount of the quota assigned it by its Fund Agreement. Bankers and

(Continued on page 1399)

Interstate
Aircraft & Eng. Co.
Circular on Request

HIRSCH & Co.
Successors to
HIRSCH, LILIENTHAL & CO.
Members New York Stock Exchange and other Exchanges
London - Geneva Rep.
25 Broad St., New York 4, N. Y.
HAnover 2-0600 Teletype NY 1-210
Chicago Cleveland

Buy War Bonds for
VICTORY

R. H. Johnson & Co.
Established 1927
INVESTMENT SECURITIES
64 Wall Street, New York 5
BOSTON PHILADELPHIA
Troy Albany Buffalo Syracuse
Pittsburgh Williamsport Dallas

FUNDAMENTAL INVESTORS · INC
PROSPECTUS MAY BE OBTAINED FROM AUTHORIZED DEALERS
or from
HUGH W. LONG and COMPANY
INCORPORATED
48 WALL STREET
NEW YORK 5
634 SO. SPRING ST.
LOS ANGELES 14

Bond Brokerage Service
for Banks, Brokers and Dealers

HARDY & Co.
Members New York Stock Exchange
Members New York Curb Exchange
30 Broad St. New York 4
Tel. Digby 4-7800 Tele. NY 1-733

State and Municipal Bonds

Bond Department
THE CHASE NATIONAL BANK
OF THE CITY OF NEW YORK

BOND BROKERS

BULL, HOLDEN & CO
MEMBERS NEW YORK STOCK EXCHANGE
14 WALL ST., NEW YORK 5, N. Y.
TELEPHONE—RECTOR 2-6300

ELECTRONICS
RAILS
INDUSTRIALS

Kobbé, Gearhart & Co.
INCORPORATED
Members N. Y. Security Dealers Ass'n
45 Nassau Street New York 5
Tel. REctor 2-3600 Teletype N. Y. 1-576
Philadelphia Telephone: Enterprise 6015

Detroit
Harvester Co.
Review on request

Reynolds & Co.
Members New York Stock Exchange
120 Broadway, New York 5, N. Y.
Telephone: REctor 2-7400
Bell Teletype NY 1-635

AMERICAN MADE MARKETS IN CANADIAN SECURITIES

HART SMITH & CO.
Members
New York Security Dealers Assn.
52 WILLIAM ST., N. Y. 5 HAnover 2-0980
Bell Teletype NY 1-395
New York Montreal Toronto

Tide Water Power Company
COMMON

IRA HAUPT & CO.
Members of Principal Exchanges
111 Broadway, N. Y. 6
REctor 2-3100 Teletype NY 1-1920

Trading Markets in:

Bendix Home Appl.
British Type Inv. A
Great Amer. Industries
Chicago & So. Airlines

KING & KING
Established 1920
Members
New York Security Dealers Ass'n
Nat'l Ass'n of Securities Dealers, Inc.
40 Exchange Pl., N.Y. 5 HA 2-2772
BELL TELETYPE NY 1-423

Carborundum Co.
Elk Horn Coal, Com. & Pfd.
Kearney & Trecker
Kingan Co., Com. & Pfd.
Peerless Weighing & Vending
Common & Preferred
Standard Oil Kansas, Pfd.
Wilbar Suchard Choc.
Common & Preferred

Mitchell & Company
Members Baltimore Stock Exchange
120 Broadway, N. Y. 5
WOrth 2-4230
Bell Teletype N. Y. 1-1227

Offerings Wanted

Brunswick Balke Collender Co.
$5 Preferred

Vanderhoef & Robinson
Members New York Curb Exchange
31 Nassau Street, New York 5
Telephone COrtlandt 7-4070
Bell System Teletype NY 1-1548

Byrndun Corporation
Common
Indiana Limestone
6s, 1952
National Service
Preferred
Westchester Service
4s, 1953

H. G. BRUNS & CO.
20 Pine Street, New York 5
Telephone: WHitehall 3-1223
Bell Teletype NY 1-1843

Boston & Maine Railroad
Stpd. Pfds.
Boston Terminal 3 ½ s, 1947
General Aniline & Film "A"
Macfadden Publications
Common & Preferred
Marion Steam Shovel, Pfd.

Greene and Company
Members N. Y. Security Dealers Assn.
37 Wall St., N. Y. 5 Hanover 2-4850
Bell Teletypes—NY 1-1126 & 1127

Associated Gas
Associated Electric
All Issues

G. A. Saxton & Co., Inc.
70 PINE ST., N. Y. 5 WHitehall 4-4970
Teletype NY 1-609

We Maintain Active Markets in U. S. FUNDS for
QUEMONT MINING CORP. Ltd.
BULOLO GOLD DREDGING
STEEP ROCK IRON MINES
NORANDA MINES
Canadian Securities Dep't.

GOODBODY & CO.
Members N. Y. Stock Exchange and Other Principal Exchanges
115 BROADWAY NEW YORK 6, N. Y.
Telephone BArclay 7-0100 Teletype NY 1-672

The Job-Creating Power Of Private Enterprise

By IVAN WRIGHT

Professor of Economics, Brooklyn College

Asserting That to Provide Jobs for Everyone Is to Return to Freedom of Private Enterprise, Dr. Wright Quotes the Views of Hartley Withers, John Stuart Mill and Herbert Spencer That Great Britain's Rapid Population and Industrial Ascendency in the Nineteenth Century May Be Largely Ascribed to Encouragement of Free Enterprise. Says Regimentation Holds Back Production and Reduces Living Standards, and Predicts That "if the Government Is to Take Over the Task of Making Jobs, We Can Look Forward to Unemployment, Regimentation, Higher Taxes and Less Opportunity and Incentive."

Dr. Ivan Wright

In acclaiming the merits of private enterprise, individual initiative and effort, Bernard M. Baruch said: "We must proclaim the lessons we learn — that we live by the sweat of the brow, that helpfulness to others is helpfulness to ourselves, that these are the measures of social consciousness which we freely accept and enact, rejecting the pauperizing, strength-destroying form of Statism against which the whole spirit of America is committed."

The way to provide jobs for everyone is to return to freedom of private enterprise, creating the conditions which will enable every ablebodied person to make the greatest use of his energies, skill and intelligence. The lessons of the history of civilization and industrial progress unmistakably verify the creative capacity of free, private enterprise in comparison with State or Government regulated enterprise.

The productive forces of freedom in industry are stated briefly by Mr. Hartley Withers in his excellent book, "The Case for Capitalism." Mr. Withers quotes from Dr. Shadwell who, in an article on the History of Industrialism in the Encyclopedia of Industrialism, shows that while in the last century before private capitalism became powerful—between 1651 and 1751 — the population of Great Britain rose from 6,378,000 to 7,392,000, an increase of 1,014,000; in the next century—1751 to 1851 —it rose to 21,185,000, an increase

(Continued on page 1377)

AMERICAN CYANAMID
5% Preference
Bought—Sold—Quoted

McDONNELL & Co.
Members
New York Stock Exchange
New York Curb Exchange
120 BROADWAY, NEW YORK
Tel. REctor 2-7815

Dick & Merle-Smith Admit Fergus Reid

Dick & Merle-Smith, 30 Pine Street, New York City, announce that Fergus Reid, Jr., member of the New York Stock Exchange, has been admitted as a general partner in the firm.

Admission of Mr. Reid to partnership was previously reported in the "Chronicle" of March 22.

Carter With Dean Witter

LOS ANGELES, CALIF.—Edward V. Carter has joined the staff of Dean Witter & Co., 634 South Spring Street. Mr. Carter was previously with G. Brashears & Co.

Federal Reserve and Bretton Woods Proposals

By M. S. SZYMCZAK*

Member, Board of Governors, Federal Reserve System

Federal Official Points to Conditions Following Last War as Indicating the Need for the Bretton Woods Proposals. Maintains That the Functions and Operations of the Federal Reserve System and Those of the International Monetary Fund Are Similar, and Contends That Because the International Monetary Fund "Breaks New Ground It is Considered Complicated." Says Federal Reserve Officials Were Consulted in Drawing Up Plan, and From Our Board's Point of View the Establishment of the Fund and the Bank Are Highly Desirable. In Address Before Illinois Manufacturers, He Admitted That It Is Expected That Member Countries Will Be Permitted to Maintain Certain Exchange Restrictions, and Will Not Find It Easy to Live Up to Their Agreements

M. S. Szymczak

The Bretton Woods Agreements which are now being considered by the Congress are concerned with the international flow of money. This flow plays directly into the American money market. The Agreements are, therefore, of great importance to the Federal Reserve System which is concerned primarily with our domestic monetary and credit problems. The Reserve System, especially through the Board of Governors, has participated in the development of the Bretton Woods proposals practically from the beginning. Interestingly enough, the history of the agreements thus far is not unlike the history of the Federal Reserve itself.

First of all, both the Bretton Woods Agreements and the Federal Reserve Act arose out of inadequacies of existing institutions to meet pressing monetary and credit problems. The Federal Reserve System grew out of experience with periodic crises and money panics because there was something lacking in our banking system. There was no central banking authority. The Bretton Woods proposals grew out of experience between the First and Second World Wars when it became evident that the gold standard was also subject to crises and

---

*An address by Mr. Szymczak before the Chicago Chapters of the American Statistical and American Marketing Associations, Chicago, Ill., March 21, 1945.

(Continued on page 1390)

Segal Lock & Hardware
Preferred
Bought—Sold—Quoted

Simons, Linburn & Co.
Members New York Stock Exchange
25 Broad St., New York 4, N. Y
HAnover 2-0600 Tele. NY 1-210

Rohr Aircraft Corp.
Int'l Detrola Corp.
Bought—Sold—Quoted

Troster, Currie & Summers
Members N. Y. Security Dealers Ass'n
74 Trinity Place, N. Y. 6 HA 2-2400
Teletype NY 1-376-377
Private Wires to Buffalo - Cleveland
Detroit - Pittsburgh - St. Louis

New York Market for Ohio Securities

WM. J. MERICKA & CO.
INCORPORATED
Members Cleveland Stock Exchange
Union Commerce Bldg., Cleveland 14
Telephone MAin 8500
29 Broadway, New York 6
WHitehall 4-3640
Direct Private Wire to Cleveland

P. R. MALLORY & CO., INC.
Bought — Sold — Quoted
Analysis on Request

STEINER, ROUSE & Co.
Members New York Stock Exchange
25 Broad St., New York 4, N. Y.
HAnover 2-0700 NY 1-1557
New Orleans, La.-Birmingham, Ala.
Direct wires to our branch offices

Wickwire Spencer Steel
Chicago Corp.
National Gas & Electric
Crescent Pub. Serv. Com.

Edward A. Purcell & Co.
Members New York Stock Exchange
Members New York Curb Exchange
65 Broadway WHitehall 4-8120
Bell System Teletype NY 1-1919

Central States Elec. (Va.)
Common Stock
Great Amer. Industries
Fred F. French Investing
Common & Preferred

Frank C. Masterson & Co.
Members New York Curb Exchange
64 WALL ST. NEW YORK 5
Teletype NY 1-1140 HAnover 2-9470

Trading Markets
Cross Company*
Liquidometer Corp.*
Delaware Rayon "A"*
New Bedford Rayon "A"*
New York, Ontario & Western
4s, 1992 X Coupons
*Analysis on request

F. H. Koller & Co., Inc.
Members N. Y. Security Dealers Ass'n
111 Broadway, New York 6, N. Y.
BArclay 7-0570 NY 1-1026

R. W. PRESSPRICH & CO.
Members New York Stock Exchange
68 William Street, New York
BOSTON: 201 Devonshire St.
GOVERNMENT, MUNICIPAL,
RAILROAD, PUBLIC UTILITY
& INDUSTRIAL BONDS
INVESTMENT STOCKS
Knowledge • Experience • Facilities
. . . for Investors

WATER WORKS SECURITIES
Bonds & Stocks
BOUGHT — SOLD — QUOTED

Cohu & Torrey
MEMBERS NEW YORK STOCK EXCHANGE
One Wall Street, New York 5, N. Y.

Buda Co.
Gisholt Machine
Pettibone Mulliken
Whiting Corp.
Stromberg-Carlson
Dumont Lab.

STRAUSS BROS.
Members New York Security Dealers Ass'n
32 Broadway NEW YORK 4 — Board of Trade Bldg. CHICAGO 4
DIgby 4-8640 — Harrison 2075
Teletype NY 1-832, 834 — Teletype CG 129

Our Real Estate
Securities Department
Specializes in

TITLE COMPANY
CERTIFICATES

PRUDENCE BONDS

Call us for quotations

Newburger, Loeb & Co.
Members New York Stock Exchange
40 Wall St., N.Y. 5 — WHitehall 4-6330
Bell Teletype NY 1-2033

The COMMERCIAL and
FINANCIAL CHRONICLE
Reg. U. S. Patent Office

William B. Dana Company
Publishers

25 Park Place, New York 8
REctor 2-9570 to 9576

Herbert D. Seibert,
Editor and Publisher

William Dana Seibert, *President*
William D. Riggs, *Business Manager*

Thursday, March 29, 1945

Published twice a week
every Thursday
(*general news and advertising issue*)

and every Monday

(*complete statistical issue—market quotation records, corporation, banking, clearings, state and city news, etc.)*

Other Offices: 135 S. La Salle St., Chicago 3, Ill. (Telephone: State 0613); 1 Drapers' Gardens, London, E. C., England, c/o Edwards & Smith.

Copyright 1945 by William B. Dana Company

Reentered as second-class matter February 25, 1942, at the post office at New York, N. Y., under the Act of March 3, 1879.

Subscriptions in United States and Possessions, $26.00 per year; in Dominion of Canada, $27.50 per year; South and Central America, Spain, Mexico and Cuba, $29.50 per year; Great Britain, Continental Europe (except Spain), Asia, Australia and Africa, $31.00 per year.

Other Publications
Bank and Quotation Record—Mth. $20 yr.
Monthly Earnings Record—Mth... $20 yr.

NOTE—On account of the fluctuations in the rate of exchange, remittances for foreign subscriptions and advertisements must be made in New York funds.

Mr. Wallace and Planned Economy

By ARTHUR A. BALLANTINE*
Former Under Secretary of the Treasury

Stating With Reference to Mr. Wallace's "Economic Bill of Rights" That On Its Face, Economic Planning Seems Highly Logical, Mr. Ballantine Maintains That Full Development of Economic Planning Is a Socialist State. Holds That if Government Is to Guarantee to Every American the Right to a Desirable Job, It Will Result in Government Dictatorship and Compulsion as to Jobs, and He Proposes as an Alternative the Basic American Plan, Constantly Corrected and Improved, but Still True to the Fundamentals of Freedom. Warns of the Greatest of All Monopolies —The Superstate.

A. A. Ballantine

The core of the thoughts presented by Mr. Henry A. Wallace to the Senate Commerce Committee before his confirmation was that under "an economic bill of rights" the Government should guarantee to every American a congenial and remunerative job. This most desirable guarantee, with other values added, he hoped could be made good through the cooperation of Government and American private enterprise.

In the New York Times of Feb. 25, I presented some considerations on this subject. Another correspondent of the Times found some fault with that presentation on the ground that in my discussion I departed from just what Mr. Wallace had said. In fact, I did not deal with what Mr. Wallace had to say about establishing an immediate controlled reservoir of jobs. What seems important to me is the full implication of a Government guarantee of jobs—the economic bill of rights. Mr. Wallace did not discuss the ultimate results of that proposal, taken seriously. The end result is so-called "economic planning."

---

*Remarks by Mr. Ballantine at a meeting of the Women's National Republican Club, New York City, March 20, 1945.

(Continued on page 1383)

Buckley Brothers in L. A. Add to Staff

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, CALIF. — Buckley Brothers, 530 West Sixth Street, members of the New York, Philadelphia and Los Angeles Stock Exchanges, have added Guy W. Baker, Eugene Ellery Jr., Fred J. Faerber and Robert W. Hudson to their staff.

Mr. Baker was formerly manager of the statistical department for Conrad, Bruce & Co., and prior thereto was with E. F. Hutton & Co. Mr. Ellery was with Harris, Upham & Co., and Pacific Company of California; Mr. Faerber with Samuel B. Franklin & Co., and Bogardus, Frost & Banning. Mr. Hudson was with William H. Jones & Co., and E. F. Hutton & Co.

Meader Fletcher With Davis, Skaggs & Co.

(Special to THE FINANCIAL CHRONICLE)

SAN FRANCISCO, CALIF. — Meader Fletcher has become associated with Davis, Skaggs & Co., 211 Montgomery Street, members of the San Francisco Stock Exchange. Mr. Fletcher was formerly bank and insurance stock trader for Shaw, Hooker & Co.; prior thereto he was with Conrad, Bruce & Co., and in the past was an officer of Brush, Slocumb & Co.

We are interested in offerings of
High Grade
Public Utility and Industrial
PREFERRED STOCKS
Spencer Trask & Co.
25 Broad Street, New York
Telephone HAnover 2-4300 — Teletype NY 1-5
Members New York Stock Exchange

Cartels Imperil Economic Progress

By J. HOWARD PEW*
President, Sun Oil Company

Maintaining Strongly That Cartels in Any Form Threaten American Free Competitive Enterprise, Mr. Pew Refers to the Proposed Anglo-American Oil Agreement as an Example of How a "Super-State" Cartel Would Destroy Competition, Preserve Regimentation and Override the Federal Constitution in Its Operation. Points Out That in Addition to Oil, Cartels Are Contemplated for 60 Other Commodities in International Trade, and Asserts That This Country Cannot Be Cartelized in Its Foreign Trade and Free in Its Domestic Enterprise. Says Cartels Are Not Inevitable and That Competition Will Expand Our Foreign Trade.

J. Howard Pew

We are here tonight as representatives of the trade press. As such it is our responsibility to advocate those measures which are good for the American public, and that which is really good for the American people is good for business. Ours is the responsibility of providing wise leadership, so that all segments of business and industry may clearly understand our economic system.

Under the impact of the world's most terrible war, we have been jarred loose from our social, economic and political moorings. Emotion has replaced reason. Expediency is adopted in the hope that thereby the war may be brought to a speedier conclusion. Many people would stoop to use the war to impose their panaceas on us for our economic salvation. Virtually every dawn brings a new crop of prophets of a brave, new world in the future. Virtually each twilight has seen unfolded new and beguiling schemes whereby men may live without the painful pro-

---

*An address by Mr. Pew before the National Conference of Business Paper Editors, at the Waldorf-Astoria Hotel, New York City, March 18, 1945.

(Continued on page 1382)

The Right to Be Politically Free

By CECIL B. DeMILLE*
President, Cecil B. DeMille Productions, Inc.

In Explaining His Refusal to Submit to a Tax Levied by His Union to Support Political Action, Mr. DeMille Contends That to Have Complied Would Have Destroyed His Political Freedom and Would Be Against the Best Interests of the Nation. He Asserts the Right to Be Politically Free Is the Backbone of the Republic and That Joining a Union Should Not Mean Giving Up the Rights of an American Citizen. Warns That a Forced Election Contribution Is Not an Issue of Unionism but an Issue Between Liberty-Loving Citizens and a Few Unscrupulous Men, Involving the Right to Work. Upholds Unionism When It Is the Servant and Not the Master of the Working Man.

Cecil B. DeMille

I have been asked to tell you the reason why I no longer conduct the Radio Theatre of the air that for many years has brought good drama to many millions of Americans. It may be of little importance to anyone but me that I no longer conduct this theatre, but it is of vital importance to every man, woman and child in this nation

---

*An address by Mr. DeMille at the St. Patrick Day luncheon given in his honor by W. M. Jeffers, President of the Union Pacific Railroad, at Omaha, Nebr., March 17, 1945.

(Continued on page 1394)

PANAMA COCA-COLA
Dividend paid January 15, 1945—$.75
DIVIDENDS:
1944 $2.75 — 1943 $4.50 — 1942 $3.65
Approximate selling price—29
Circular on request
HOIT, ROSE & TROSTER
Established 1914
74 Trinity Place, New York 6, N. Y.
Telephone: BOwling Green 9-7400 — *Teletype:* NY 1-375

B. S. LICHTENSTEIN
AND COMPANY

STOCKS WITH
"B.O."

—should be brought to us for disposal. And that's no soft soap!

Obsolete Securities Dept.
99 WALL STREET, NEW YORK
Telephone: WHitehall 4-6551

TITLE COMPANY
CERTIFICATES

BOUGHT - SOLD - QUOTED

Complete Statistical Information

L. J. GOLDWATER & CO.
Members New York Security Dealers Assn.
39 Broadway
New York 6, N. Y.
HAnover 2-8970 — Teletype NY 1-1203

International Detrola
Rohr Aircraft
*Stromberg-Carlson

Bought—Sold

**Circular on Request*

J. F. Reilly & Co.
Members
New York Security Dealers Assn.
111 Broadway, New York 6, N.Y.
REctor 2-5288
Bell System Teletype, NY 1-2480
Private Wire to Los Angeles

Bartgis Bros.
Billings & Spencer
M. A. Hanna Co.
Laclede-Christy Clay Prod.
Hooker Electrochemical

Bought — Sold

Est. 1926
HERZOG & Co.
Members New York Security Dealers Ass'n.
170 *Broadway* — *COrtlandt* 7-6190
Bell System Teletype NY 1-84

SUGAR
SECURITIES

•

DUNNE & CO.
Members New York Security Dealers Assn.
25 Broad St., New York 4, N. Y.
WHitehall 3-0272—Teletype NY 1-956
Private Wire to Boston

Public National Bank
& Trust Co.

National Radiator Co.

Industrial Finance
Preferred

C. E. Unterberg & Co.
Members N. Y. Security Dealers Ass'n
61 Broadway, New York 6, N. Y.
Telephone BOwling Green 9-3565
Teletype NY 1-1666

WARD & Co.
EST. 1926
ACTUAL MARKETS
IN 250
ACTIVE ISSUES

American Reserve Ins.
Boston & Maine, Pfds.*
Bowser, Inc.*
Brockway Motor*
Delta Airlines
Detroit Harvester*
Douglas Shoe, Com. & Pfd.*
Electrolux
General Machinery
Michigan Chemical
Mohawk Rubber*
Taca Airways
Moore-McCormack
Pollak Mfg.
Purolator*
Scovill Mfg.*
Sheraton Corporation*
Triumph Explosives
United Piece Dye Works*
Whiting Corp.
Wickwire-Spencer

INDUSTRIALS
Aetna Standard Eng.
American Hardware*
Am. Window Glass, Com. & Pfd.
Bird & Son*
Blair & Co., Inc.
Buda Co.*
Deep Rock Oil*
Great Am. Industries*
Gleaner Harvester*
Howard Stores
Lamson & Sessions*
Lawrence Port. Cement*
Liberty Aircraft Products*
Moxie*
Philip Carey
Riley Stoker*
Standard Stoker

TEXTILES
Alabama Mills*
Aspinook Corp.
Berkshire Fine Spinning*
Consolidated Textile
Darlington Mfg.
Merrimac Mills
New Jersey Worsted*

UTILITIES
American Gas & Power
Central Elec. & Gas
Central Public Utility 5½'s
Cons. Elec. & Gas Pfd.
Conn. Lt. & Pr. Com.
Iowa Southern Util.
Mass. Pr. & Lt. $2 Pfd.*
Peoples Lt. & Pow. Pfd.
Southwest Natural Gas

ELECTRONICS
Du Mont Lab. "A"*
Emerson Radio
Magnavox Corp.*
Majestic Radio & Tel.*
P. R. Mallory*
*Bulletin or Circular upon request

WARD & Co.
EST. 1926
Members N. Y. Security Dealers Assn.
120 BROADWAY, NEW YORK 5
REctor 2-8700 NY 1-2173 1-1288
Direct Wires to Chicago and Phila.
ENTERPRISE 'PHONES
Hartf'd 6111 Buff. 6024 Bos. 2100

Foundation Company
In the Post-War Era of European reconstruction, domestic reconversion of industry and public works development, this well established company in the field of heavy construction faces an attractive outlook.
Memorandum on Request
RITER & CO.
Members New York Stock Exchange
Members Chicago Stock Exchange *New York Curb Exchange (Associate)*
40 WALL STREET, NEW YORK 5, N. Y.
Bell System Teletype — NY 1-1092
Private Wire to Chicago Office

We take pleasure in announcing that
Harold H. Young
has become associated with us in our
New York Office.
EASTMAN, DILLON & CO.
MEMBERS NEW YORK STOCK EXCHANGE
March 26, 1945.

American Arch Company
Bought—Sold—Quoted
•
W. J. Banigan & Co.
Successors to
CHAS. H. JONES & CO.
Established 1904
50 Broadway, N. Y. 4 HAnover 2-8380

Spokane Internat'l Ry. Rcpts.
Eastern Corporation
H. M. Byllesby pfd. and A & B
Community Water Service pfd.
Harrington & Richardson "A"
BERWALD & CO.
Members New York Security Dealers Assn.
30 Pine Street, New York 5, N. Y.
Tel. Digby 4-7900 Tele. NY 1-1790

E. Harold Schoonmaker Analyses Post-War Interest Rate Factors

Concludes "We Should Now Be in a Period of High Rates, but Government Controls and Other Factors May Stave Off the Working of the Laws of Supply and Demand."

E. H. Schoonmaker

In address delivered before the Savings and Loan Managers' Club of Metropolitan New York in the Hotel Astor, on March 13, E. Harold Schoonmaker, Executive Secretary of the Tenafly Mutual Savings and Loan Association and Chairman of the Economic Policy Committee of the New Jersey Savings and Loan League, expressed the conclusion from his analysis of factors determining interest rates that money rates should now be high if there were a free market without governmental controls and regulations.

"The subject of Postwar Interest Rates is a matter of deep concern to you as the managers of other peoples money," Mr. Schoonmaker told his audience. "Much has been said and written on this topic in recent months and money managers have a lively interest in this question which so vitally affects their business.

"I have accumulated considerable material for your consideration," he concluded, "which I would like to present in three parts; first, the views recently expressed by some experts who believe that present low money rates will continue; second, the thoughts of others who feel that money rates will advance; and third, some facts and figures I have assembled from which you will draw your own conclusions."

Mr. Schoonmaker then read diversant and conflicting views of several financial writers and government and bank officials, some of which have been already published in the "Chronicle" and then presented the accompanying tabulation of figures, showing among other things the ratio of gold to Federal Reserve credit and the ratio of gold to currency circulation. "For some time," Mr. Schoonmaker remarked, "it has seemed to me that the Federal Reserve Ratio was not sensitive enough to stresses and strains in the money market."

Regarding his tabulation, Mr. Schoonmaker concludes that "these figures would certainly indicate that we should now be in a period of high money rates. Whether or when money rates will advance it seems to me depends on several factors:

1. How long can government controls stave off the working of the laws of supply and demand?
2. How much gold will we lose in the postwar period?
3. Will the government lower the gold content of the dollar further, thereby increasing the gold reserve?
4. How long will the war last?
5. When will individuals dimin-

(Continued on page 1394)

BOSTON, MASS.

Johnson Automatics, Inc.
Nashewena Mill
National Service Cos.
Com. & Pfd.
—
du Pont, Homsey Co.
Shawmut Bank Building
BOSTON 9, MASS.
Capitol 4330 Teletype BS 424

We Suggest:
A Low-Priced Steel Stock
Central Iron & Steel
$10 Par
Net Quick . . . $7.16 per share
Book Value . . $16.34 per share
Market . . . . about 6
Circular Available
LERNER & CO.
10 POST OFFICE SQUARE
BOSTON 9, MASS.
Tel. HUB 1990 Teletype BS 69

DETROIT

General Industries Co.
Report furnished on request
MERCIER, MCDOWELL & DOLPHYN
Members Detroit Stock Exchange
Buhl Bldg. Cadillac 5752
DETROIT 26

GRAND RAPIDS

Simplex Paper Corp. Com.
International Rys. of Buffalo
3s-5s of 1962
Central Steel & Wire
Aeronca Aircraft Com. & Pfd.
American Box Board Com.
WHITE, NOBLE & CO.
Members Detroit Stock Exchange
GRAND RAPIDS 2, MICH.
Phone 94336 Tele. GR 184
Detroit Office, Buhl Bldg.

NEW ORLEANS

Morrison Cafeterias
7% Preferred Stock
17th Year
Uninterrupted Dividends
Morrison Cafeterias
Common
Dividends Various Amounts
Since 1936
Baumann Investment Company
412 Carondelet Bldg. Tel. RAymond 1449
New Orleans 12, La.

Associated Gas & Elec. Company
Associated Gas & Elec. Corporation
"Issues"
J.K.Rice,Jr.&Co.
Established 1908
Members N. Y. Security Dealers Assn.
REctor 2-4500—120 Broadway
Bell System Teletype N. Y. 1-714

SECURITY ADJUSTMENT CORPORATION SERVICE
More Income from Investments
ESTABLISHED 1935
Security Adjustment Corp.
Members New York Security Dealers Ass'n
16 Court St., B'klyn 2, New York TR. 5-5054

PHILADELPHIA

Gruen Watch, Common
Eastern Corporation, Common
Western Light & Telephone Com.
Memo on request
BUCKLEY BROTHERS
Members New York, Philadelphia and Los Angeles Stock Exchanges
1529 Walnut Street, Philadelphia 2
New York Los Angeles
Pittsburgh, Pa. Hagerstown, Md.
N. Y. Telephone—WHitehall 3-7253
Private Wire System between Philadelphia, New York and Los Angeles

Missouri Public Service Corp.
Common
Central & Southwest Utilities
$7 Pfd.
BOENNING & CO.
1606 Walnut St., Philadelphia 3
Pennypacker 8200 PH 30
Private Phone to N. Y. C.
COrtlandt 7-1202

Dealer Inquiries Invited
American Box Board Co.
Odd Lots & Fractions
Botany Worsted Mills pfd. & A
Empire Steel Corp. com.
Pittsburgh Railways Co.
All Issues
Warner Co. pfd. & com.
Wawaset Securities
H. M. Byllesby & Company
PHILADELPHIA OFFICE
Stock Exchange Bldg. Phila. 2
Phone Rittenhouse 3717 Teletype PH 73

ST. LOUIS

STIX & CO.
INVESTMENT SECURITIES
509 OLIVE STREET
ST. LOUIS 1, MO.
Members St. Louis Stock Exchange

We take pleasure in announcing that

FERGUS REID, Jr.
Member New York Stock Exchange

has been admitted as a
General Partner in our firm

DICK & MERLE-SMITH
Members New York Stock Exchange

30 Pine Street
New York 5, N.Y.

30 State Street
Boston 9, Mass.

March 23, 1945.

AMERICAN BANTAM CAR
6% CUMULATIVE CONV. PREFERRED
Dividend of 30¢ paid Jan. 31, 1945
(Arrears $3.75)
$10 par (callable at 14 plus arrears)
Selling Price—14½
Circular on Request

HOIT, ROSE & TROSTER
Established 1914
74 Trinity Place, New York 6, N. Y.
Telephone: **BOwling Green 9-7400** *Teletype:* **NY 1-375**

Curb and Unlisted Securities

MICHAEL HEANEY, *Mgr.*
WALTER KANE, *Asst. Mgr.*

Joseph McManus & Co.
Members New York Curb Exchange
Chicago Stock Exchange
39 Broadway New York 6
Digby 4-3122 Teletype NY 1-1610

Yuba Consolidated Gold Fields

36th Year Uninterrupted Dividends

Write or call for descriptive circular

CARTWRIGHT & PARMELEE
70 Pine Street, New York 5, N. Y.
DIgby 4-3383

Chas. Somlo V.-P. of Sterling National

Charles Somlo

The Board of Directors of Sterling National Bank & Trust Co. announces the election of Charles Somlo as Vice-President. He will be in charge of the foreign department, with headquarters at the bank's main office at Broadway and 39th Street. Mr. Somlo has had broad experience both in this country and abroad in the field of foreign trade and foreign exchange.

He was formerly Vice-President of the Manufacturers Trust Co. in charge of its foreign department. More recently he served with the Foreign Funds Control Division of the U. S. Treasury in Washington.

Albert Frank-Guenther Law, Inc.
Preferred Stock
(Par Value $2)
Bought—Sold—Quoted
Circular upon Request

George R. Cooley & Co.
INC.
Established 1924
52 William St., New York 5, N. Y.
WHitehall 4-3990 Teletype NY 1-2419

Benguet Consolidated Mining

Analysis upon request

—★—

F. BLEIBTREU & Co., Inc.
79 Wall St., New York 5, N. Y.
Telephone HAnover 2-8681

Form Nat'l Series Distributors in L. A.

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, CALIF.—Rufus Lee Carter and Daniel H. McKellar have formed National Securities Distributors, with offices at 634 South Spring Street, to engage in an investment business. Mr. Carter was formerly with National Securities & Research Corp., and Massachusetts Distributors; in the past he was with Broad Street Sales Corp., and Keystone Custodian Funds. Mr. McKellar was with Revel Miller & Co., Franklin Wulff & Co., M. H. Lewis & Co., and the Pacific Company of California; in the past he was in charge of the local office of Blyth & Co., Inc., and was a principal of Welch, McKellar & Co., and Young-Clarke & Co.

WE WISH TO ANNOUNCE THAT

EFFECTIVE APRIL 2, 1945

The Name of Our Company Will Be Changed From

W. R. BULL & COMPANY
INCORPORATED

TO

SMITH, RAMSAY & COMPANY
INCORPORATED
INVESTMENT BANKERS

207 State Street, Bridgeport 1, Conn.
157 Church St., New Haven 10 499 Howe Ave., Shelton

This Represents no Change in Management, Policy or Personnel

OUR BOARD OF DIRECTORS

WILLIAM R. BULL
JOSEPH E. MILLER
DeWITT C. RAMSAY
ANDREW R. SMITH
RALPH L. TALBOT
THOMAS H. TRELEASE

The Directors Have Been With the Company an Average of 22 Years

Foundation Company
Common Stock

Circular upon request

Seligman, Lubetkin & Co.
Incorporated
Members New York Security Dealers Association
41 Broad Street, New York 4 HAnover 2-2100

Sees Russia an Important Factor In World Trade

A. W. Zelomek Points to Practically Unlimited Quantities of Capital Goods Required by Russia, Much to Be Provided by Loans, and Concludes That United States and Canada Exporters Have Right to Be Optimistic on Trade With Russia. Says Much Will Depend on Long-Term Political Stabilization.

A. W. Zelomek

The world's economic and political future cannot be discussed intelligently without considering Russia's place, according to A. W. Zelomek, President of the International Statistical Bureau, Inc., and economist of Fairchild Publications, who spoke before the Purchasing Agents Association of Montreal. "This is an obvious change from the situation following the last war. What is slightly shocking is that it is also a change from the situation immediately preceding this war. Few of us were very much concerned with Russia just before this war began; the great change that has occurred has, I believe, a deep meaning for the lives of all of us.

"That the major political development of recent months has been a steady expansion of Russian influence westward in Europe is no contradiction of the fact that the great outcome of this war will be a perceptible shift from West to East of the world's economic center of gravity. What is now being secured is a safe western anchorage for the nation which, by virtue of its geographical position, its ethnological makeup, its economic resources, its traditional orientation and its political realism is destined to play a major part in Asiatic affairs. However disturbing they may be to established commercial and political institutions in the world's most highly industrialized nations, I believe we must recognize the fact that the great social and political forces of this century are tending to undermine the traditional position of Europe and to lead to new developments in Asia. Russia, apart from the strength she has revealed in the present conflict, draws additional importance from the fact that she is, so to speak, astride this great historical development."

While emphasizing the potential size of the Russian market, Mr. Zelomek warned against going to the other extreme of counting too heavily on Russia in terms of post-war trade. It is clear from ofifcial statements that Russian imports will depend greatly on the size and nature of foreign credits. There is not much doubt that some credits will be granted. "One of the world's major goals after the war will be restoration of political stability. Such an attempt is almost bound to be supported by loans and economic aid. Recent international conferences indicate that the United States will take the lead in this, at least during the early post-war period. If the United States grants long-term credits to Russia, other countries will no doubt follow this example. But I doubt very much that these credits will reach the

(Continued on page 1386)

AMERICAN MADE MARKETS IN CANADIAN SECURITIES

Anglo-Huronian, Ltd.
Bulolo Gold Dredging
Giant Yellowknife Gold Mines
Hollinger Mines
Kerr Addison
Mining Corp. of Canada
Noranda Mines
Steep Rock Iron Mines Ltd.
Teck Hughes Gold Mines Ltd.
Ventures Ltd.

HART SMITH & CO.
52 WILLIAM St., N. Y. 5 HAnover 2-0986
Bell Teletype NY 1-395
New York Montreal Toronto

Community Water Service
5½s-6s 1946
Crescent Public Service 6s 1954
East Coast Public Service
4s 1948
Eastern Minnesota Pr. 5½s '51
Minneapolis & St. Louis Ry.
Issues
Securities Co. of N. Y.
4% Consols

Frederic H. Hatch & Co.
Incorporated
Members N. Y. Security Dealers Ass'n
63 Wall Street New York 5, N. Y.
Bell Teletype NY 1-897

WE BUY
BONDS
WITH
Coupons Missing
•
GUDE, WINMILL & Co.
Members New York Stock Exchange
1 Wall St., New York 5, N. Y.
DIgby 4-7060 Teletype NY 1-955

American Maize Products Co.

Eastern Sugar Associates, Common

Ohio Match Co.

Frederic H. Hatch & Co.
Incorporated
Members N. Y. Security Dealers Ass'n
63 Wall Street New York 5, N. Y.
Bell Teletype NY 1-897

HAYTIAN CORP.

Quotations Upon Request

FARR & CO.
Members
New York Stock Exchange
New York Coffee & Sugar Exchange
120 WALL ST., NEW YORK
TEL. HANOVER 2-9612

With F. L. Putnam & Co.

(Special to THE FINANCIAL CHRONICLE)

PORTLAND, ME.—**Gorham D. Hoffses** is affiliated with **F. L. Putnam & Co., Inc.**, 97 Exchange Street.

Trading Markets In
Bunte Bros.
Central Electric & Gas
Dexter Co.
United Stockyards Pfd.
•
C. L. Schmidt & Co.
Established 1922
120 South La Salle Street
CHICAGO 3
Tel. Randolph 6960 Tele. CG 271

Ampco Metal, common
Central Electric & Gas, common
Central Steel & Wire Co., com.
C. G. Conn Ltd. common
Leece Neville Co.
Locomotive Firebox
United Stockyards Corp., pfd.
Western Lt. & Tel. common
—★—
W. J. Sennott, Jr. — Fred J. Cook
Clement, Curtis & Co.
Members N. Y. Stock Exch. and Others
134 S. LA SALLE ST.
CHICAGO 3
Randolph 6800 Teletype CG 214

SINCE 1908
FRED. W. FAIRMAN CO.
Members
Chicago Stock Exchange
Chicago Board of Trade
Firm Trading Markets
Garrett Corporation
Magnavox Common
—
208 SOUTH LA SALLE ST.
CHICAGO 4, ILLINOIS
Telephone Randolph 4068
Bell System CG 537

Kroehler Mfg. Common
Chicago Corp. Common
Consolidated Cement "A"
—
E. H. Rollins & Sons
Incorporated
135 South La Salle Street,
CHICAGO 3
CG 530 Central 7540
Direct Wires To Our Offices In Principal Cities Throughout the Country

Central Steel & Wire, Com.
Globe Steel Tubes Co. Com.
Lincoln Ptg. Co. 6-1963
Parker Appliance, Com.
Snap-On Tools, Com.
Woodward Governor, Com.
Paul H. Davis & Co.
Established 1916
Members Principal Stock Exchanges
Chicago Board of Trade
10 So. La Salle St., Chicago 3
Tel. Franklin 8622 Teletype CG 405
Indianapolis, Ind. - Rockford, Ill.

CARTER H. CORBREY & CO.
Member, National Association of Securities Dealers
Wholesale Distributors
Middle West — Pacific Coast
For
UNDERWRITERS
—
SECONDARY MARKET
DISTRIBUTION
CHICAGO 3 LOS ANGELES 14
135 LaSalle St. 650 S. Spring St.
Randolph 3002 CG 362 Trinity 3908

We maintain an active interest in
Puget Sound Power and Light Common
Ampco Metals Common
Leece Neville Common
Soss Manufacturing Common
Maryland Casualty Common
Chicago South Shore and South Bend R. R. Common
Our Current Bulletins Available on Request
SILLS, MINTON & COMPANY, Inc.
Members Chicago Stock Exchange
209 SO. LA SALLE ST., CHICAGO 4, ILL.
Telephone Dearborn 1421 Teletype CG 864

From Yalta to San Francisco

By JOHN FOSTER DULLES*

Mr. Dulles Traces the Trend Toward Allied Cooperation From the Yalta Agreements and Points Out the Progress in Planning a World Peace Organization and in Creating an Overwhelming Sentiment of the American People for It. Points Out the Imperfections of the Dumbarton Oaks and the Yalta Plans, and Suggests Two Changes, viz.: (1) That the Organization Be Infused With an Active Principle and Not Be Merely Mechanistic in Action but Should Judge the Merits of Situations Threatening Peace, and (2) That the Veto Power of the "Big Five" Be Abandoned so That Rigidities That Imperil the Whole Peace Structure Be Removed. In Washington Address, Says Dumbarton Oaks Is a Good Start but Does Not Go Far Enough.

The asigned topic is "From Yalta to San Francisco." I shall, however, take the liberty of starting, not with Yalta, but with Moscow in the Fall of 1943. In that perspective we can appraise better the task of San Francisco. For that task is not the academic one of writing a good world charter. Rather, it is the practical task of taking over a going concern.

John F. Dulles

You will recall that at the Moscow Conference the Big Three decided to establish at once the "closest cooperation" with reference to European questions. They also decided to create, later on, a general international organization. Those two decisions were interdependent. Anthony Eden explained that to Parliament. He pointed out that unless cooperation were established at once it would be hard to get it "when the immediate common effort needed for victory is over."

The two Moscow decisions created immense gratification. But it was quickly demonstrated that it is one thing to *agree* to cooperate and another thing to *do* it. The United States held aloof. Responsibility was apportioned, in large part to the Soviet Union and in small part to Great Britain. Thus the three great powers which at Moscow had agreed, in theory, upon the "closest cooperation," reverted to a practice of divided responsibility.

The Polish and Greek crises brought to light that contrast between theory and practice. The American people, when they saw it, were aroused. If three nations, faced by common peril, could not make good on an agreement to cooperate, what was the use, they said, of getting 40 nations to agree to cooperate after the common peril had passed.

President Roosevelt took cognizance of the public concern. In

---

*An address by Mr. Dulles at the Foreign Policy Association, New York Luncheon Discussion on March 17, 1945, and a further discussion before the United Nations Forum, at Washington, D. C., on March 26, 1945.

(Continued on page 1396)

Broker-Dealer Personnel Items

If you contemplate making additions to your personnel please send in particulars to the Editor of The Financial Chronicle for publication in this column.

(Special to THE FINANCIAL CHRONICLE)

BEVERLY HILLS, CALIF.—**Cecil J. Downs** is now affiliated with **Merrill Lynch, Pierce, Fenner & Beane,** 9520 Santa Monica Boulevard. Mr. Downs was previously with E. F. Hutton & Co.

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, CALIF.—**Linton B. Elliott** has been added to the staff of **Akin-Lambert Co.,** 639 South Spring Street.

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, CALIF.—**Walter Landor** is with **Bateman, Eichler & Co.,** 453 South Spring Street.

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, CALIF. — **Harry J. Bastion** and **Roy E. Borden** have joined the staff of **G. Brashears & Co.,** 510 South Spring Street.

MISSISSIPPI GLASS CO.
INTERNATIONAL DETROLA CO.
ROHR AIRCRAFT CORP.
MOHAWK RUBBER CO.
MISSOURI PACIFIC RY. SEC. 5¼%
KNEELAND & CO.
BOARD OF TRADE BUILDING
141 W. JACKSON BLVD., CHICAGO 4
Tel. WAB. 8686 and Western Union Telephone Tele. CG 640, 641 & 642

—We Maintain Active Markets In—
DEEP ROCK OIL CORP. Common
NORTHERN STATES POWER 6 & 7 Pfds.
MOUNTAIN STATES POWER Common & Pfd.
H. M. Byllesby and Company
Incorporated
135 So. La Salle Street, Chicago 3
Telephone State 8711 Teletype CG 273
New York Philadelphia Pittsburgh Minneapolis

Dealer-Broker Investment Recommendations and Literature

It is understood that the firms mentioned will be pleased to send interested parties the following literature:

Bank Stock Evaluator—Comparative analysis of 38 banks—Also available a tabulation of **1944 Fire and Casualty Insurance Operating Results—Huff, Geyer & Hecht.** 67 Wall Street, New York 5, N. Y.

Coal Companies—List of current quotations—**F. B. Whittemore,** 60 Broad Street, New York 4, N. Y.

Convertible Preferred Stocks—A list of 17 selling near their conversion points—**Hornblower & Weeks,** 40 Wall Street, New York 5, N. Y.

Public Utility Common Stocks—A discussion of these issues and a tabulation of operating company common stocks now available to the public—**G. A. Saxton & Co., Inc.,** 70 Pine Street, New York 5, New York.

Also available is the March, 1945, issue of **"The Preferred Stock Guide."**

Railroad Company Bond Purchases and Retirements—Booklet covering the period 1941-1944, showing the substantial portion of earnings which 28 major railroad systems have devoted to fortifying them against a potential lower income level after the war—**R. W. Pressprich & Co.,** 68 William Street, New York 5, N. Y.

Solvent and Insolvent Railroads—Comparative tabulation of data on solvent and insolvent railroads and those under reorganization by negotiation—in the March **Chicago Letter** of **Carter H. Harrison & Co.,** 209 South La Salle Street, Chicago 4, Ill.

Tax Chart—A reference chart for approximate equivalent taxable income from tax-free yields, or vice versa, based on Revenue Acts of 1943 and 1944—**Hannaford & Talbot,** 519 California Street, San Francisco 4, Calif.

Alabama Great Southern RR.—Descriptive circular—**Adams & Peck,** 63 Wall Street, New York 5, New York.

American Bantam Car—Circular on this situation—**Hoit, Rose & Troster,** 74 Trinity Place, New York 6, N. Y.

American Hardware—Special study—**Goodbody & Co.,** 115 Broadway, New York 6, N. Y.

Benguet Consolidated Mining Co.—Analysis—**F. Bleibtreu & Co., Inc.,** 79 Wall Street, New York 5, N. Y.

Boston Terminal 3½s of 1947—Analytical report describing reorganization status and proposed plan—**Greene & Co.,** 37 Wall Street, New York 5, N. Y.

Central Hanover Bank & Trust—Bulletin—**Laird, Bissell & Meeds,** 120 Broadway, New York 5, N. Y.

Central Iron & Steel—Bulletin on recent developments—**Lerner**

(Continued on page 1397)

An Outstanding Post War Stock
Long-Bell Lumber
Common
New four page brochure now available on request
•
COMSTOCK & CO.
CHICAGO 4
231 So. La Salle St. Dearborn 1501
Teletype CG 257

Hughes Comptroller Of Mutual Life of N. Y.

The appointment of J. McCall Hughes as Comptroller of The Mutual Life Insurance Co. of New York was announced by Lewis W. Douglas, President, following a meeting of the company's trustees.

J. McCall Hughes

Mr. Douglas also announced that Frederick W. Miller, the present Comptroller, will retire as of April 1 after 38 years of service with the company.

A graduate of Brown University in 1933, Mr. Hughes served with the Bankers Trust Co. in New York City until 1939, when he became associated with the Mercantile Commerce Bank & Trust Co. of St. Louis, where he was later appointed Auditor. He joined The Mutual Life in March, 1943, as administrative assistant to the Executive Vice-President. In December, 1944, he was named Associate Comptroller.

Federally Insured Certificates To Yield . . .
3%
3½%
AGGREGATING $25,000,000.00
Have been purchased thru us by Trust Companies, Trust Departments, Estates, Pensions.
SELECT FROM OUR LISTS AND PLACE YOUR FUNDS DIRECT — NO FEES
Federally Insured Savings & Loan Associations about 400 Represented—located in every section of the Country, offer Liquidity, Insured safety of Principal, complete freedom from market losses—
FINANCIAL Development Co.
NOT INC.
105 SO. LA SALLE ST., CHICAGO 3

Collins Radio
Galvin Mfg.
Stromberg Carlson

KITCHEN & CO.
135 South La Salle Street
Chicago 3, Ill.
Tel. STAte 4950 Tele. CG 573

States Why Monetary Fund Is Essential

In an address before the Commonwealth Club of California at San Francisco, on March 23, Dean Acheson, Assistant Secretary of State and a delegate from the United States to the Bretton Woods Monetary Conference, contended that to reject the International Monetary Fund "would mean a complete rewriting of the documents" and that "the purposes which have been conceived in the whole plan would not be achieved."

Dean G. Acheson

"Opponents of the fund," Mr. Acheson remarked, "have stated that the thing to do is to accept the bank and not to accept the fund, or to put them together in some way which leaves out most of the features of the fund. The answer is that, of course, it is impossible to separate the bank and the fund. To do so would mean a rejection of the Bretton Woods Agreements and a complete rewriting of the documents. This is so because the Bretton Woods Agreements have been thought of as one great conception, and therefore the documents relating to the bank and the fund are intertwined. The members of the bank are those members of the fund who wish to become members of the bank. Any number of other provisions are interdependent. So the whole thing would have to be rewritten."

Then he added, "but the point which I think escapes people when they make the suggestion that the fund be rejected is that the purposes which have been conceived of in this whole plan would not be achieved, if you do that. The whole heart of the matter is contained in the fund agreement—in the operation of the fund—which provides for putting aside the instruments of economic warfare, for putting aside this fratricidal struggle through currencies, to make it possible for currencies to be freely used through the world so that trade may expand.

"It is one thing to make loans through a bank, under a system like that, and it is another thing to make loans through a bank when you have no such orderly system, but only a system of warfare. The bank's loans will be infinitely safer where you have a fund operating which makes it possible for trade to expand and which makes it possible for people to abandon restrictive measures.

"Most of the difficulties we have experienced in connection with the foreign loans we have made in the past, aside from errors of judgment which may have occurred as to particular loans, have resulted from disasters which occur to whole countries, and to the whole of the trade of the world, from causes which the fund would remove.

"A loan may be just as sound as anybody can possibly ask for when it is made, but if international trade and international exchange are subject to all the hazards which come from economic warfare, then things which you have not foreseen will happen. The country will be unable to pay, not because it does not want to pay, but because it cannot get the money to pay, because it cannot get the trade which would develop the money to pay. We believe these difficulties will be eliminated by the fund.

"Therefore, from the point of view of the conception, from the point of view of the object which is sought to be attained, the bank and the fund are part of one conception, and to take away one part of it gives you something wholly different and something which was not contemplated."

Burton-Dixie Corporation Common
Chicago South Shore & South Bend R. R. Common
Sprague Electric Co. Common
Chicago, Milwaukee & Gary Ry. First 5s Apr. 1948
Chicago Railways First 5s Feb. 1927

DOYLE, O'CONNOR & CO.
INCORPORATED
135 SOUTH LA SALLE STREET
Telephone: Dearborn 9600 Teletype: CG 1200

NSTA Notes

NEW YORK, SECURITY TRADERS ASSOCIATION OF

Annual Dinner—The Security Traders Association of New York announces that reservations for over one thousand have already been received for the Annual Dinner to be held this year on Friday, April 20, at the Waldorf-Astoria Hotel. Those desiring to attend, who have not already made reservations, are urged to send them in immediately. All payments and names for reservations should be in the hands of the Committee, Michael J. Heaney, Vice-Chairman, not later than Monday, April 2. Subscription price will be eight dollars per person, plus sixty cents tax.

Increasing Membership Under Consideration—A By-Laws Committee, consisting of Stanley Roggenburg, Roggenburg & Co., Chairman; John S. French, A. C. Allyn & Co., Inc.; William K. Porter, Hemphill, Noyes & Co., and Walter F. Saunders, Dominion Securities Corporation, has been appointed by Richard F. Abbe, Van Tuyl & Abbe, President of the Association, to study the question of increasing the membership of the Association in conjunction with the Trustees of the Gratuity Fund. Trustees, in addition to Mr. Porter and Mr. Abbe, are Gustave J. Schlosser, Edward A. Purcell & Co.; Cyril M. Murphy, Mackubin, Legg & Co.; Arthur B. Retallick, Van Alstyne, Noel & Co.; George V. Leone, Frank C. Masterson & Co., and Willis M. Summers, Troster, Currie & Summers.

For several years STANY has had a full membership and a waiting list. Up until now there has been a year-end turnover, with the result that certain names from the the top of the waiting list have been admitted annually. This year, however, the turnover was so small that it permitted only readmission of a few returning service members, as provided in the By-Laws, and no new names at all from the waiting list, which at present number sixty-six.

Membership is limited at present to four hundred, plus not more than one hundred service members, who at present number fifty-seven. Since they are automatically readmitted to full membership upon notice to the Secretary of their discharge, no new outside members can be taken in until the rolls have fallen below four hundred.

The membership could be raised to four hundred and fifty or five hundred were it not for the Gratuity Fund, an important feature of STANY which was worked out on the basis of four hundred members. Accordingly, the question of increasing the membership is receiving careful study by the Trustees and the By-Laws Committee mentioned above. In this connection members are being asked to express opinion on the following specific questions:

1. Should the membership be increased, and if so, how much? (The joint recommendation of the By-Laws Committee and the Trustees of the Gratuity Fund is that it should be raised from 400 to 450.)
2. Should the present initiation fee of $5.00 be increased, and if so, how much? (It is felt that it should be increased to $15 with the additional $10 to be placed in the Gratuity Fund.)
3. Should there be a maximum age limit for new members, and if so, what should it be? (The Trustees of the Gratuity Fund have recommended that such a limit be set, with which suggestion the Committee is in accord.)

STANY FORUM

At 4:30 p.m. on Thursday, April 5, the Security Traders Association of New York will hold a Forum in the Governors Room of the New York Curb Exchange.

Arthur E. Baylis, Foreign Freight Traffic Manager of the New York Central Railway System, will give an informal talk on the railway industry from an operating and traffic standpoint. A question-and-answer period will follow. Mr. Baylis was until recently Assistant Director of the Railway Division of the Office of Defense Transportation.

Henry F. McCarthy, Executive Assistant to the President of the New York, New Haven and Hartford Railroad, will also attend as a guest.

Calendar of Coming Events

Apr. 3, 1945—Los Angeles, Security Traders Association—Spring Dinner at the Ambassador Hotel.
Apr. 5, 1945—Security Traders Association of New York—Forum on Rails—4:30 p.m. in the Governors Room of the New York Curb Exchange.
Apr. 20, 1945—New York, Security Traders Association of—Annual Dinner at the Waldorf-Astoria Hotel.

We have a continuing interest in the following:

American Barge Lines Co. Common
American Service Co. $3.00 Part. Pfd.
Anheuser Busch Inc. Capital
Fulton Iron Works, Common & Pfd.
Mastic-Asphalt Co. Common
New Jefferson Hotel Co. 4-6% Bonds
(ST. LOUIS)
Puget Sound Power & Light Co. Common
Seven-Up Bottling Co. Common & Pfd.
(ST. LOUIS)
Textron Inc. Warrants
Trailmobile Co. Common
Western Light & Telephone Co. Common

Stifel, Nicolaus & Company
INCORPORATED
Founded 1890
Chicago St. Louis

Harold Young Joins Eastman Dillon Staff

Eastman, Dillon & Co., 15 Broad Street, New York City, members of the New York Stock Exchange, announce that Harold H. Young has become associated with the firm as public utility analyst. Until recently he was with Bear, Stearns & Co.

Harold Young

Mr. Young's experience in the investment field dates from 1925 when he became associated in Providence, R. I., with one of the old New England houses identified with the financing of public utility companies from the early days of the industry. He has written extensively on public utility companies for leading financial publications. He conducted a course in "Public Utility Break-Up Values" for the New York Institute of Finance for two semesters and presently is lecturing there on "Current Developments in Utilities."

R. T. Coradine With Carter Corbrey in L. A.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—Reese Thomas Coradine has become associated with Carter H. Corbrey & Co., 650 South Spring Street. Mr. Coradine in the past was with Paine, Webber & Co., Fuller, Rodney & Co., and Merrill Lynch, E. A. Pierce & Cassatt, in Chicago.

With Clark Davis & Co.

(Special to The Financial Chronicle)

MIAMI, FLA.—**Frank L. Edenfield** is with **Clark Davis & Co.**, Langford Building.

INQUIRIES INVITED

Motorola
GALVIN MFG. CO.
Common Stock

—★—

HICKEY & CO.
Field Bldg., Chicago 3
Randolph 8800 CG 1234-5
Direct wire to New York

ACTIVE TRADING MARKETS

National Terminals Corp.
Common & Preferred
Franklin County Coal Corp.
Common & Preferred
Howell Elec. Motors
Interstate Aircraft & Engineering Corp.
Common

ADAMS & CO.
231 South La Salle Street
Chicago 4, Illinois
Teletype CG 361 Phone State 0101

Laufman & Van Benschoten With Hill Richards Co.

(Special to The Financial Chronicle)

LOS ANGELES, CALIF.—C. Harry Laufman and William H. Van Benschoten have become associated with Hill, Richards & Co., 621 South Spring Street, members of the Los Angeles Stock Exchange. Mr. Laufman was previously with Bankamerica Co., and prior thereto did business under the firm name of C. Harry Laufman & Co. in San Francisco.

CONTINUOUS INTEREST IN:

Aeronautical Products *Com.*
Koehring Co. *Com.*
Nekoosa-Edwards Paper *Com.*
Compo Shoe Mchy. *Com. & Pfd.*
Rochester Telephone Co. *Com.*
Standard Silica Co. *Com.*
North'n Pap. Mills Co. *Com. & Pfd.*
Central Elec. & Gas Co. *Pfd.*
Central Telephone Co. *Pfd.*
Hamilt'n Mfg. Co. *Part. Pref. & Com.*
James Mfg. Co. *Pfd. & Com.*
Wis. Pwr. & Lt. Co. *6 & 7% Pfd.*

LOEWI & CO.
225 EAST MASON ST. MILWAUKEE (2), WIS.
PHONES—Daly 5392 Chicago: State 0933 Teletype MI 488

REAL ESTATE
SECURITIES

Primary Markets in:

Hotel St. George, 4's
165 Broadway 4½'s
870 - 7th Ave. 4½'s
(Park Central Hotel)
N. Y. Athletic Club 2-5's
Beacon Hotel, 4's

* * *

SHASKAN & CO.
Members New York Stock Exchange
Members New York Curb Exchange
40 EXCHANGE PL., N.Y. DIgby 4-4950
Bell Teletype NY 1-953

ACTIVE MARKETS

NEW YORK
TITLE & MORTGAGE
Series BK - C2 - F1 - Q

PRUDENCE COLLATERAL
Series A - AA - 3 to 18

SIEGEL & CO.
39 Broadway, N.Y. 6 DIgby 4-2370
Teletype NY 1-1942

FIRST MORTGAGES
TITLE CO.
CERTIFICATES
Bought—Sold—Quoted
EST. 1939
EMPIRE REALTY
TRADING CORP.
Associate Member
Real Estate Boards, B'klyn & N. Y.
111 Broadway, N. Y. 6 REctor 2-9838

N. Y. Finance Institute Offers Spring Courses

The New York Institute of Finance, 20 Broad Street, New York City, announces that a seven-week course in Marginal Rails will be given beginning April 4, on Wednesday, from 5:15 to 6:45. The current position and the outlook for the major roads and their securities will be discussed by Pierre R. Bretey, railroad analyst for Baker, Weeks & Hardin, and George T. Peregrin, rail analyst for Merrill Lynch, Pierce, Fenner & Beane.

Beginning April 2, an eight weeks' course, "Introduction to Financial Statement Analysis," will be given on Mondays from 5:30 to 7:15. This is an elementary course for those interested in the field of security analysis, covering the accounting background in detail. Andrew F. Lynch, manager of the statistical department of Abraham & Co., will conduct the course.

Cost of each course is $10.

With Atwill & Co.

(Special to THE FINANCIAL CHRONICLE)

MIAMI BEACH, FLA.—**Lloyd S. Ainsworth** is with **Atwill & Co.,** 605 Lincoln Road.

SPECIALISTS
in
Real Estate Securities
Since 1929

Seligman, Lubetkin & Co.
Incorporated
Members New York Security Dealers Association
41 Broad Street, New York 4 HAnover 2-2100

Real Estate Securities

Factors Causing Decline in Stock Market Not Applicable to Real Estate Securities

In sympathy with the reaction of the stock market, some real estate securities are also declining in price. This may be the opportunity to pick up some very desirable investments. Various reasons have been advanced for the decline in the stock market, namely: peace, reconversion problems, new margin requirements and possible new capital gain taxes.

Real estate securities should not be affected by any of these situations.

Peace should continue to aid real estate securities. Present properties should be able to compete very well with new construction. Zoning requirements of smaller structures with the same labor operating costs of the present larger structures securing real estate bonds, plus the anticipated high cost of this new construction are factors to consider.

Reconversion problems are nil as far as real estate goes, with the exception of reletting space now occupied by Government agencies. This should not be difficult with the clamor for space by civilian tenants. Reference to any daily newspaper in New York will show advertisements by tenants looking for space.

New marginal requirements have not affected real estate securities, as with very rare exceptions they are not traded in on National Exchanges.

New capital gain taxes if promulgated, will only affect profits in trading these securities. When purchasing real estate bonds for investment, the buyer is naturally concerned with yield. Real estate securities enjoy the tax advantage of being able to deduct depreciation of the building before being subject to income taxes. (As an example, the Sherry Netherland Hotel, in 1944 had a net operating profit of $432,955.52. They paid 4¾% interest on the bonds and applied $102,678.98 for bond retirement. However, because they were able to deduct $200,436.56 as depreciation, they showed a bookkeeping loss of $44,164.54 and did not have to pay any income taxes.)

Hotels located in the cities should enjoy a post-war boom. Removal of restrictions of rail travel should bring conventions and visitors to the cities, instead of at resorts. You probably are aware that soldiers who have recently returned from overseas on furloughs are properly being given rest cures at resort hotels by the Government. Multiply this situation by the larger number of returning soldiers after the war and you will see that civilians will have to use the city hotels. In addition, merchandise buyers will flock to the city centers of distribution, also using hotel accommodations. Hotel rooms will also be in demand by returning soldiers until new housing is constructed for them.

Plowing back of excess earnings for debt retirement should be a great aid to hotel securities. Most notable reductions in the past few years are:

1. Governor Clinton Hotel—Paid off its entire senior debt of $750,000, placing the $5,000,000 bond issue in a senior lien position. 1944 earnings 9.78% on the bonds, which may be purchased in the middle 70's.

2. Park Central Hotel (870 Seventh Avenue 4½'s)—Reduced its senior debt from $1,200,000 to approximately $980,000 since 1942. This is an aid to the bond issue of $4,055,200, inasmuch as 60% of the net earnings are applied to reduction of the first mortgage until the issue is reduced to $900,000, after which a large percentage of the earnings will be used for bond retirement. 1944 earnings 16.14% on the bonds, which may be purchased in the middle 70's.

3. Sherry Netherland Hotel (Sherneth Corporation 3-5¾'s)—Bond issue has been reduced from $6,000,000 to $5,662,700 since 1943. 1944 earnings 7.37% on the bonds, which may be purchased at 60%.

New rent ceilings on office buildings in New York at 15% above 1944 rentals is not too bearish. Law also provides that landlord is entitled to 6% plus 2% amortization on his property. (As an example, Broadway Trinity Place, formerly Harriman Building, had a net profit before interest and depreciation for the six months ending Oct. 31, 1944, of $83,959. This was equivalent to 4.35% on the bond issue. 6% interest and 2% amortization on the bond issue of $4,533,500 for the six months period would amount to $181,320, leaving room for negotiation of higher rents than 15% above 1944 levels.

Speaking of office buildings, an interesting bond to watch is the first mortgage bond of 2 Park Avenue. Due in December, 1946, it offers a yield of 10.5% to maturity. If bonds are not paid off and reorganization becomes necessary, the bonds should be materially improved. Almost 2% on the bond issue was used for servicing junior debt, etc. In 1944 5% was paid on these bonds and $84,724 was used for bond retirement. In addition, $97,236 was paid to junior bondholders and equity owners during 1944. If in the future this money is used for first mortgage bond retirement, it would make a marked difference in the bonds.

American Labor Group on Int'l Affairs Approves Bretton Woods

A Report by Albert Halasi, of Its Research Staff, States That the Proposals Would Aid Employment, but Recommends Additional Measures, Including Lower Tariffs. Says Fund Will Render "Deficit Countries" a Breathing Spell in Which to Reduce "Transitional Unemployment." Combats Bankers' Alternatives.

The American Labor Conference on International Affairs, which was organized about two years ago under chairmanship of William Green to investigate and report on post-war problems and international affairs, has recently published a pamphlet, under the authorship of Albert Halasi, of its research staff, entitled "Bretton Woods and Full Employment." The report, in general, favors the Bretton Woods Proposals, pointing out the role of the Fund and the Bank in reducing "transitional unemployment" and "inferior employment." Mr. Halasi analyzes and rejects the alternative proposals of banking opposing the Bretton Woods Plan, but at the same time stresses the need for lower tariffs and the reduction of trade barriers as well as "synchronized anti-depression and neighborly employment policies" by the member countries as means of furthering international full employment.

Albert Halasi

Regarding the effect of the Bretton Woods proposals on what he terms "transitional unemployment" and "inferior employment," Mr. Halasi states that "the Bretton Woods agreements will render valuable service in reducing the extent of both transitional unemployment and inferior employment. They will do it directly by helping member countries suffering from adverse structural or cyclical changes in foreign trade (their own trade or that of other countries). But they will also do it indirectly by promoting friendly economic relations between the member countries. Such friendly economic relations should prevent them from attempting to remedy their own troubles by transferring them to other countries."

"The Bretton Woods agreements," he continues, "will also be instrumental in increasing the **real income** in goods, services, and leisure of the member countries. This may be considered their second contribution to the solution of the employment problem.

"Full employment may be achieved at different levels of real income. It is highly desirable that it should be reached under conditions guaranteeing the highest possible real income. This principle is vital for poor countries, where full employment may coexist with very low standards of living, but it is important also for the wealthier national communities. In so far as the Bretton Woods agreements reduce transitional unemployment and inferior

(Continued on page 1395)

We regret to announce
the resignation of
MR. R. M. WRIGHT
as of March 1, 1945

F. H. Koller & Co., Inc.
Members N. Y. Security Dealers Ass'n
111 Broadway, New York 6, N. Y.
BArclay 7-0570 NY 1-1026

Pacific Coast
Securities
Orders Executed on
Pacific Coast Exchanges

Schwabacher & Co.
Members
New York Stock Exchange
New York Curb Exchange (Associate)
Chicago Board of Trade
14 Wall Street New York 5, N. Y.
COrtlandt 7-4150 Teletype NY 1-928
Private Wires to Principal Offices
San Francisco — Santa Barbara
Monterey — Oakland — Sacramento
Fresno

Tomorrow's Markets Walter Whyte Says—

Breaking of March 9-10 lows reveals secondary trend now down. Bearishness will now increase but primary trend still up. Keep positions so long as stops hold.

By WALTER WHYTE

The market is trying to say that it doesn't trust post-war plans. That the majority of industries which have stock on the Big or Small boards are as confused about the future as the people who buy their stocks. The closer the end of the war draws, in Europe anyway, the more obvious this general muddling.

* * *

What this will do to the market is something else. I tried to explain last week that fear and hope psychology as it applies to stock prices cannot be gauged with any reasonable accuracy. The same wild hopes and fears which can lift prices to fantastic levels can also drive them down unbelievably.

* * *

A professional trader by frequent quotation of bid and ask prices can determine where the buying and where the selling is. By comparing these levels throughout the market day he can gauge fairly well at what price he will either buy or sell. Of course there is much more to it than just getting bid and ask quotes. He still has to decide if the trend is up or down. And when it comes to that there isn't any system so far devised that can answer it. There are all kinds of chart and tape methods calculated to give the answers. I have yet to see them work out with any success over a period of time.

* * *

All this, however, is beside the point. If you have a method which makes money for you then follow it. I don't have any. I try to gauge future levels by tape action. But I can't put it in any intelligible words to save my life. So I reduce it to "stops."

(Continued on page 1397)

THE MAGNAVOX COMPANY

ONE OF A SERIES OF TIMELY STATISTICAL REPORTS ON COMPANIES WHOSE STOCKS ARE TRADED ON THE SAN FRANCISCO STOCK EXCHANGE AVAILABLE ON REQUEST

DIRECT PRIVATE WIRE

KAISER & CO.

MEMBERS
NEW YORK STOCK EXCHANGE
NEW YORK CURB EXCHANGE
SAN FRANCISCO STOCK EXCHANGE

25 BROAD STREET
NEW YORK 4

1500 RUSS BUILDING
SAN FRANCISCO 4

EE
CHATTANOOGA
NORTH CAROLINA
GREENVILLE
SOUTH CAROLINA
HARTSVILLE
HUNTSVILLE
ROME
GADSDEN
CEDARTOWN
ANNISTON
ATLANTA
ATHENS
TALLADEGA
BIRMINGHAM
PI
LAGRANGE
ALABAMA
TROY
GEORGIA
ALBANY
FLORIDA

Courts & Co.

INVESTMENT BANKERS

MEMBERS NEW YORK STOCK EXCHANGE AND OTHER LEADING EXCHANGES

UNDERWRITERS AND DISTRIBUTORS OF INVESTMENT SECURITIES

BROKERS OF BONDS, STOCKS, COMMODITIES

Private Wires • Home Office Atlanta • Phone LD-159

ADVERTISEMENT

NOTE—*From time to time, in this space, there will appear an article which we hope will be of interest to our fellow Americans. This is number eighty-one of a series.*
SCHENLEY DISTILLERS CORP., NEW YORK

Revenue Collector!

Speaking of taxes, and who isn't, there are late revealing figures of the huge sums contributed to the Federal revenues from the sale of various products in this country. And I daresay that a great many people would miss answering the "$64 question" if they were asked, "What industry contributes the greatest amount of Federal revenue from the sale of its products?" In fact, when we tried out that question on some of our worldly-wise friends, several of them mentioned the "tobacco industry" and quite a few answered "petroleum products."

Well, we won't keep you in suspense any longer. The correct answer is that during the fiscal year of 1943, the complete figures of which we have on hand now, Federal revenues from alcoholic beverages, including customs duties, totaled $1,514,219,247. This amount was almost twice as large as tobacco, which was the next principal contributor, and about five times larger than Federal taxes collected on petroleum products!

This sounds like we're boasting, but really we're not. We're thinking about just a few short years ago when we tried Prohibition in this country with such dismal consequences . . . the same results that were experienced by every other country where it was tried and where it failed. We're thinking of the millions and millions of dollars that were diverted from the coffers of our Treasury Department to the long pockets of bootleggers, whose existence was made possible by disregard of an unpopular law.

Of course, all of the tax revenue from the sale of alcoholic beverages does not go to the Federal Government. We have before us a breakdown of additional state and local revenues in the amount of over a half-billion dollars. These state and local revenues are used to defray some of the cost of education, hospitals, agricultural aid, old age pensions, aid to crippled children and other similar purposes.

Again and again we say it: This industry, in full recognition of the social aspects of its business, is doing its best to show Americans that regulation, both by law and self-imposition, is beyond any doubt to be preferred to bootlegging, corruption and other evils which stem from Prohibition—*which does not prohibit.*

MARK MERIT
of SCHENLEY DISTILLERS CORP.

FREE—*Send a postcard or letter to Schenley Distillers Corp., 350 Fifth Ave., N. Y. 1, N. Y. and you will receive a booklet containing reprints of earlier articles on various subjects in this series.*

The Job-Creating Power Of Private Enterprise

(Continued from page 1370)

of over 13,793,000; and in the next 60 years—1851 to 1911—it rose by 19,350,000 to 40,535,000. In commenting on the difference between the increase in the two centuries—1651 to 1751, and 1751 to 1851—Dr. Shadwell observes (page 304) that "the difference is not, of course, wholly due to the industrial factor; but the two go together, and the vast increase of life during the second century negatives the common assumption that industrialism produced a state of unprecedented and increasing misery. This is emphasized by the fact that the rate of increase was highest during the first decade of the 19th Century, when the change was proceeding at its maximum intensity." In commenting upon the conditions of the people in England the first quarter of the 19th Century, Louis Simon of France, said: "I have found the great mass of the people richer, happier, and more respectable than any other with which I am acquainted."

The possibility of growth, expansion and improvement of well-being under expanding freedom of private enterprise as described by Mr. Withers is a striking contrast with the description of the conditions in France by John Stuart Mill, the famous British economist of the 19th Century. In describing the pauperizing conditions in France in the 17th Century and the earlier part of the 18th, Mr. Mill said:

"Society exercised on the manufacturer the most limitless and the most arbitrary jurisdiction: it disposed of the facilities of manufacturers without scruple; it decided who should work, what products should be manufactured, what materials were to be used, what profits would be permitted, what form should be given to the finished products, etc. It was not sufficient to do a good job, even to do the best job, but simply to follow the rules laid down. Who was not acquainted with this regulation of 1670, which prescribed the seizure and boarding up of commodities not conforming to the rules laid down, and which, on the second offense, ordered the manufacturers thereof to be imprisoned? It was not a matter of consulting the taste of the consumers, but of conforming to the dictates of the law. Countless inspectors, commissioners, jurymen, guards were charged with seeing that they were carried out; they smashed the works and burned the products which did not conform: improvements were penalized; they were fined for inventions. Different rules were made for products destined for domestic consumption and those for foreign commerce. A worker was not his own master free to choose the place where he would work in every season, nor to work for everybody. There was a decree of March 30, 1700, which limited to 18 towns the places where one could carry on the stocking trade. A decree on June 18, 1723, ordered the manufacturers of Rouen to suspend workers from July 1 to Sept. 15 in order to help gather the harvest; Louis XIV, when he wished to undertake the building of the Colonnade of the Louvre, prohibited private persons from employing the workers without his permission, under penalty of 10,000 pounds fine, and the worker from working for private persons, under penalty, for the first offense, of prison, and for the second, of the galleys."

In spite of the relaxation of government regulations in England and the invigorating progress set in motion by the expanding freedom of private enterprise in the first half of the 19th Century, Mr. Herbert Spencer, a distinguished philosopher and sociologist, freely condemned what he called "over-legislation" in England and the incapability of the government to carry on or direct the affairs of private business. Mr. Spencer accused the advocates of government regulation and control of reading the parable of the talents backwards.

"Private enterprise has done much, and done it well. Private enterprise has cleared, drained and fertilized the country, and built the towns — has excavated mines, laid out roads, dug canals, and embanked railways—has invented and brought to perfection ploughs, looms, steam-engines, printing presses, and machines innumerable—has builded our ships, our vast manufactures, our docks—has established banks, insurance societies and the newspaper press—has covered the sea with lines of steam vessels, and the land with electric telegraphs. Private enterprise has brought agricultural, manufactures and commerce to their present height, and is now developing them with increasing rapidity."

"It is one thing to secure to each man the unhindered power to pursue his own good; it is a widely different thing to pursue the good for him."

Mr. Spencer found that the government was a most inefficient manager and producer. On the contrary, private enterprise with all of its mistakes, according to his observation, could carry out the task of production, employment and job making best for both government and the people.

Abraham Lincoln, in his annual address to Congress in 1861, said:

"There is not, of necessity, any such thing as the free hired laborer being fixed to that condition for life. Many independent men everywhere in these States, a few years back in their lives, were hired laborers. The prudent, penniless beginner in the world, labors for wages a while, saves a surplus with which to buy tools or land for himself, then labors on his own account another while, and at length hires another new beginner to help him. This is the just, and generous, and prosperous system, which opens the way to all, gives hope to all, and consequent energy and progress and improvement of conditions to all."

It was this system described by President Lincoln that made it possible for the people of the United States to prosper and make greater strides in raising the standard of living of all the people than any other country in the last century. The story is the same down through history. As people have thrown off the oppressions of slavery, regimentation, dependence on Statism, and have used their own initiative and resourcefulness, opportunities, jobs, production and general prosperity have been the consequences.

In modern times we have the outstanding example of government control and regulation of industry and employment provided by dictator countries. Germany would probably be the outstanding example of industrial countries with government regulated employment before the present war. According to the records available it appears that the average workman in the United States produced substantially more than the average workman in Germany. Many reasons may be assigned for this difference in production capacity between the average American and German workman. But the facts remain that while the people in Germany were fully employed, regimentation was at its height. The description of an automobile manufacturer's purchase of tires required routine approvals from government agencies which took about six months for confirmation if everything could move smoothly without interruption. The questionnaires and documents to be filled out and signed were dozens. That such conditions can make work for everyone cannot be doubted, but do these conditions make production and increase the output of products and services to be divided between the workmen? They certainly do not. Such regulated conditions hold back production and the smaller product which results can only reduce the standard of living for all.

Present American Conditions

War conditions always bring necessary restrictions and regulations to carry out as quickly as possible the main purpose—to win the war. Between the two world wars many restrictions and regulations restraining private initiative were legalized. Restrictions and regulations decrease the opportunities for the average man and reduce the number of jobs. If the present regulations and restrictions are held to when this war is over there is no hope for full employment or for raising the standard of living in this country. On the contrary, if the Government is to take over the task of making jobs we can look forward to unemployment, regimentation, still relatively higher taxes, and less opportunity and incentive for both the worker and the employer. The first steps in making full employment after the war must not be merely so many jobs, but so much opportunity that there will not be enough men to fill all the jobs available. These are the conditions for full employment. How are these conditions to be brought about? The way to bring about these conditions is to remove all the war and other restrictions as rapidly as practicable. Give every man freedom to compete in his own way for any product, job, business or opportunity. Establish free markets for men, money and materials; abandon the idea of looking to the Government for help either by business enterprises, labor organizations or pressure groups of other special interests; remove the tariffs or reduce them where practical; abandon the ideas of dual price systems, dual money systems, Government cartels, subsidies and all the other protections awarded to special interest.

The Government should continue its normal functions of maintaining sound money, a speedy system of justice, freedom of opportunity and equal rights for everyone under the same laws.

With these conditions of freedom of private enterprise restored there will be no scarcity of jobs. But, on the contrary, there will not be enough men to fill the job made opportunities.

I am afraid, however, that this is asking too much, because we have traveled so far along the roads of regimentation, partiality, and pressure group class privileges, and the people have been so indoctrinated with these ideas that we may have to endure a long period of hard times to regain the initiative necessary in a society of freedom again, or let this cycle of Government regimentation run its course and then start over.

Private enterprise and jobs for all would provide no special privileges for anyone. The task of Government is to keep open the way to all honest effort and to restrain anyone seeking to take advantage of his fellow-man for selfish gains. Under private enterprise that provides equal privileges for all an honest and swift-acting Government legal system must protect all equally against fraud and unfair dealings. There is no need for hundreds of volumes of regimentation rules such as now guide administrative bureaus which make the laws and regulations under which private initiative is being strangled. Only the laws of the accepted standards of honesty and fairness are needed.

The return to democracy and private enterprise in this country is the road to jobs for everyone. This will require, however, the elimination of red-tape, regulations and regimentation; the setting up of a system of freedom and the enforcement of the simple rules of honesty and integrity; and the re-education of the people to self dependence, enterprise and the rewards of accomplishment. This could be the greatest civil revolution in the history of democracy, and its results could be an example to the rest of the world of the value of the individual in a democratic society.

Province of
ALBERTA
(all issues)

Chic., Milwaukee
St. Paul &
Pacific R. R.
Common & Preferred
(When Issued)

ERNST & CO.
MEMBERS
New York Stock Exchange and other leading Security and Commodity Exchs.
120 Broadway, New York 5, N. Y.
231 So. LaSalle St., Chicago 4, Ill.

We maintain net trading markets in
New When
Issued Securities
of
Chicago, Milwaukee,
St. Paul & Pacific
Railroad Company
and
St. Louis-San Francisco
Railway Company

Josephthal & Co.
Members New York Stock Exchange
and other Exchanges
120 Broadway, New York 5
Telephone: REctor 2-5000

19 Congress St. Boston 9
Telephone: LAfayette 4620
BUY WAR BONDS

Jas. Williams Promoted: Awarded Bronze Star

James Williams has been promoted from Private First Class to Sergeant, and has been awarded the bronze star. He is in General Patton's Third Army.

Sgt. Williams was formerly cashier of M. J. McHale Co., 115 Broadway, New York City.

Alabama
Great Southern
Railroad
Part. Pfd.

Circular on request

Adams & Peck
63 Wall Street, New York 5
BOwling Green 9-8120 Tele. NY 1-724
Boston Philadelphia Hartford

Keep the RED CROSS *at his side!*

PFLUGFELDER, BAMPTON & RUST

Railroad Securities

The Seaboard reorganization, one of the oldest still pending in the railroad field, will soon advance another important step towards consummation. Foreclosure sale of the properties has been set for May 31. The special master is to file his report on the sale not later than June 9, and a court hearing on that report is scheduled for June 29. Hearings on the final foreclosure decree, which sets these dates, will be held on April 10, but the expectation now is that there will not need to be any change in the proposed schedule. It may be possible, therefore, to wind up the proceedings and issue the new securities by the year-end or shortly thereafter.

In anticipation of the reasonably early consummation of the plan there has developed a considerable speculative interest in the new securities, traded now on a when-issued basis. Judging from the prices at which the new junior securities, from the Income bonds down through the common stock, are selling, there is not complete understanding of the technical details of the plan. The market apparently accepts it as settled that the effective date of the plan is Jan. 1, 1944, that the new securities will be dated as of that time, and that interest and dividends will accrue from that date. Under most reorganization plans this theory might be acceptable. The way the Seaboard plan is drawn up it is apt to prove erroneous.

Section VI of the plan, titled "The Date of New Securities and Adjustment of Claims" has an important bearing on the status of the new securities and seems to have been ignored by many speculators in the new Seaboard securities. This section starts out—"The date of the new securities shall be determined by the Reorganization Committee with the approval of the Court, and the claims shall be adjusted in the following manner:—" The text then goes on to outline how the reorganization shall be handled in the event that cash becomes available for distribution prior to the date of actual consummation of the plan.

If cash becomes available for distribution to creditors, in addition to the cash payments actually provided in the plan, the Reorganization Committee at its discretion, but subject to approval by the Court, may apply such cash to payment of interest on the old bonds. As an alternative, it may set aside the cash for purchase or retirement of the old bonds. A schedule in the plan sets forth the percentage of such cash that shall be applied to each individual old bond issue or the percentage of new securities each shall receive if new securities become available for redistribution by virtue of the cash payments. There will be no reallocation of securities so long as cash payments on individual bonds do not exceed interest accrued from Jan. 1, 1944, to date of consummation of the plan and the date of the new securities.

There is little question but that Seaboard has now accumulated a substantial amount of cash which could be distributed to security holders, and more will accumulate before the prospective date of consummation of the plan. The question arises as to whether this cash will be distributed as interest on the old bonds by the present company or will be held until after consummation of the plan and be distributed as income from Jan. 1, 1944, on the new securities. In most reorganizations the latter procedure has been adopted but this has been due largely to the fact that the plans themselves are not flexible enough to allow any other action. As the Seaboard plan specifically provides for the alternative of paying interest directly against the old bonds, and thus changing the effective date of the plan and the date of the new securities, it is generally expected that that will be the course adopted. Certainly it might prove very advantageous from a tax angle and would be in the best interests of holders of the old bonds.

The effect on the new securities would naturally be adverse. Instead of getting delivery of new Income bonds with perhaps two years' interest (9 points) back interest, purchasers might get bonds dated Jan. 1, 1946, with no interest accrued. The same would be true of the new preferred stock, and naturally there would be no back earnings out of which to pay a dividend on the common stock. The probability that this will happen should be considered when contemplating purchase of the new Seaboard securities on a when-issued basis.

Edward Mundo Resumes As E. W. Mundo & Co.

BOSTON, MASS.—Edward W. Mundo has resumed business as E. W. Mundo & Co., 50 Congress Street, to act as dealer in bank and insurance stocks. Mr. Mundo for many years did business under this firm name; recently he has been with duPont, Homsey Co.

The imminence of the appeal, scheduled to be heard before the Fifth Circuit Court on May 15th in New Orleans, adds a certain pertinence to our brief brochure on—

Recent Developments in the Case of the
SEABOARD ALL-FLORIDA
Copies of which are available upon request

l. h. rothchild & co.
Member of National Association of Securities Dealers, Inc.
specialists in rails
52 wall street n. y. c. 5
HAnover 2-9072 tele. NY 1-1293

Seaboard Railway Company
(when issued)
Chicago, Milwaukee, St. Paul & Pacific R.R.
(when issued)
St. Louis-San Francisco Railway Company
(when issued)
Bought — Sold — Quoted
Complete arbitrage proposition on request
When issued profits discounted

SUTRO BROS. & CO.
Members New York Stock Exchange
120 BROADWAY, NEW YORK 5, N. Y.
Telephone REctor 2-7340

Leon Fraser Supports Bankers on Bretton Woods

(Continued from first page)

ticable moment of discriminatory exchange practices, the gradual reduction of exchange control, and the fixing or alteration of exchange parities; also to supply the necessary monetary information. He maintained that other nations would readily adhere to such changes, which add nothing new but are mainly a simplification and recognition that observance of any code of currency policies and practices must in the final analysis be voluntary by each country.

The consideration for such consultative agreements would be, Mr. Fraser said, first, the mutual promises, etc., which are the basis of all international treaties; second, membership in the Bank which has potential credit granting powers up to ten billion dollars; third, the immediate creation in the Monetary Department of the machinery for continuous consultation, planning, and action on stabilization questions and monetary principles and practices; fourth, in all instances where shown to be requisite and appropriate prompt access through the Monetary Department to short-term financial aid in connection with moderating exchange restrictions, to long-term stabilization loans, to seasonal credits, and other special financial help in exchange emergencies. If necessary, a portion of the Bank's large capital could be earmarked for these stabilization purposes. The resources of central banks could also be mobilized for stabilization aid, with the Bank heading the consortium.

Mr. Fraser criticized the Fund because of the arbitrary quota system which he said fixes a nation's rights irrespective of its needs and which opens the door to loose and indiscriminate borrowing without specific commitments as to repayment, without any agreed program for correction of economic difficulties, and without any right of the United States, the principal contributor, to approve. Under the Bank plan, the United States has to approve important operations in its own currency.

He added that currency stabilization was a different problem for each country and that the world-wide, indiscriminate approach of the Fund was premature and theoretical and a fundamental misstep that could be avoided by action through the Monetary Department of the Bank, where each case could be constructively and generously dealt with on the basis of a program worked out in advance. The present Fund conception is so elaborate that he anticipated that it would lead to more exchange controls rather than fewer and would probably break down in practice unless the United States was prepared to supply more dollars if and when they were exhausted.

He concluded by saying that whether the Fund mechanism or the consolidated Bank mechanism were adopted, the vital economic interests of the United States would be so greatly involved that the American Governor and Director should be subject in all broad policy matters to a Consultative Committee of Government officials.

Chicago, Milwaukee, St. Paul & Pacific Railroad Company
and
St. Louis—San Francisco Railway Company
Arbitrage Letters

VILAS & HICKEY
Members New York Stock Exchange
49 WALL STREET, NEW YORK 5, N. Y.
TELEPHONE: HANOVER 2-7900
Teletype: NY 1-911

McLAUGHLIN, BAIRD & REUSS
Members New York Stock Exchange

BOND BROKERAGE SERVICE
Specializing in Railroad Securities

ONE WALL STREET NEW YORK 5
TEL. HANOVER 2-1355 TELETYPE NY 1-1310

GENERAL FOODS CORPORATION AND WHOLLY OWNED SUBSIDIARY COMPANIES IN THE UNITED STATES AND CANADA

COMPARATIVE CONSOLIDATED BALANCE SHEET DECEMBER 31, 1944, AND DECEMBER 31, 1943

ASSETS

	Dec. 31, 1944	Dec. 31, 1943
CURRENT ASSETS:		
Cash	$ 14,243,669	$ 11,983,961
U.S. and Canadian Govt. securities at cost, which is not in excess of market value. (The 1943 figure is after deducting $6,320,000 applied in reduction of Federal tax liability.)	5,422,820	7,277,811
Accounts receivable (less reserve for discounts and doubtful accounts, $377,261 in 1944 and $378,925 in 1943)	23,225,086	18,203,111
Inventories, at average cost or market, whichever is lower*	73,561,771	63,784,096
Total Current Assets	$116,453,346	$101,248,979
INVESTMENTS AND MISCELLANEOUS ASSETS:		
Investments in and advances to subsidiaries not consolidated (less reserves)	$ 1,321,582	$ 1,690,391
Amount receivable from U.S. Government for assets requisitioned	—	2,633,000
Estimated postwar refund of excess profits tax	2,700,000	1,600,000
Miscellaneous securities and loans (less reserves)	1,101,856	1,423,844
Total Investments and Miscellaneous Assets	$ 5,123,438	$ 7,347,235
PROPERTY ACCOUNTS:		
Land, factory sites, etc	$ 3,981,716	$ 3,905,022
Buildings, docks, etc	21,703,742	20,928,545
Machinery, equipment, motor trucks, vessels, etc.	42,996,389	41,346,779
	$ 68,681,847	$ 66,180,346
Less—Reserves for Depreciation	36,827,809	33,924,342
Net Property Accounts	$ 31,854,038	$ 32,256,004
TRADE-MARKS, PATENTS AND GOOD WILL	1	1
DEFERRED CHARGES TO OPERATIONS		
(Prepayments for services, etc.)	$ 2,069,983	$ 1,767,470
	$155,500,806	$142,619,689

	Dec. 31, 1944	Dec. 31, 1943
*Inventories:		
Raw Materials	$ 53,530,264	$ 44,876,900
Finished and semi-finished stock	18,054,805	17,050,451
Supplies	1,976,702	1,856,745
	$ 73,561,771	$ 63,784,096

LIABILITIES

	Dec. 31, 1944	Dec. 31, 1943
CURRENT LIABILITIES:		
Accounts payable, including taxes withheld	$ 10,438,815	$ 8,052,884
Acceptances and drafts payable	2,730,756	377,726
Salaries and wages, miscellaneous taxes, and other expenses accrued	2,866,391	2,821,180
Premium on preferred stock and dividend payable*	1,293,750	168,750
Federal and foreign income and excess profits taxes. (The 1943 figure is after deducting $6,320,000 of U.S. Government Tax Notes held.)	22,629,321	18,794,278
Total Current Liabilities	$ 39,959,033	$ 30,214,818
RESERVE FOR CONTINGENCIES	$ 6,374,239	$ 4,942,712
DEFERRED CREDIT	—	721,825
CAPITAL STOCK AND SURPLUS:		
Preferred stock (no par value) Authorized, 350,000 shares Issued 150,000 shares $4.50 cumulative preferred*	$ 15,000,000	$ 15,000,000
Common stock (no par value) Authorized, 6,000,000 shares Issued, 5,590,774 shares (Including 85,778 shares held by a subsidiary for conversion of its non-voting stock in hands of public)	55,400,109	55,400,109
Total Capital Stock	$ 70,400,109	$ 70,400,109
Earned Surplus (less $725,390, cost of 15,311 shares of common stock in treasury) (Note 4)	38,767,425	36,340,225
Total Capital Stock and Surplus	$109,167,534	$106,740,334
	$155,500,806	$142,619,689

*The preferred stock was called in December, 1944, and redeemed as of Jan. 31, 1945. On Feb. 1, 1945, $25,000,000 was borrowed by the issuance of unsecured notes.

COMPARATIVE CONSOLIDATED INCOME STATEMENT

	Years Ended	
	Dec. 31, 1944	Dec. 31, 1943
Net sales	$296,518,989	$259,858,252
Cost of goods sold	222,238,390	185,857,000
Selling, administrative and general expenses, and other charges	44,054,122	38,260,570
	$266,292,512	$224,117,570
Profit from operation	$ 30,226,477	$ 35,740,682
Other Income:		
Dividends and interest	$ 145,187	$ 222,151
Proportionate share of profits (losses) of subsidiaries not consolidated	(250,571)	49,508
Miscellaneous	848,787	464,503
	$ 743,403	$ 736,162
Less interest expense	27,675	31,997
	$ 715,728	$ 704,165
Profit before taxes and contingencies	$ 30,942,205	$ 36,444,847
Provision for estimated income and profits taxes (Note 5):		
Federal income taxes (including surtax)	$ 7,830,000	$ 7,892,000
Federal excess profits tax	8,300,000	12,200,000
Foreign income and excess profits taxes	715,000	708,000
	$ 16,845,000	$ 20,800,000
Profit before provision for contingencies	$ 14,097,205	$ 15,644,847
Provision for contingencies	1,500,000	1,500,000
Net profit	$ 12,597,205*	$ 14,144,847*
Dividends:		
Preferred stock ($4.50 a share)	675,000	675,000
Common stock ($1.60 a share)	8,919,141	8,660,713
	$ 9,594,141	$ 9,335,713
Undivided profits	$ 3,003,064	$ 4,809,134

*Equivalent, after deducting preferred dividend requirements, to $2.14 a share of common stock in 1944 and $2.42 a share in 1943.

STATEMENT OF EARNED SURPLUS

Earned surplus at beginning of 1944 (less $725,390, cost of 15,311 shares of common stock in treasury)		$36,340,225
Add:		
Undivided profits for year		3,003,064
Net amount realized for requisitioned assets in excess of book value		716,974
		$40,060,263
Deduct:		
Intangibles acquired during year		$ 167,838
Provision for premium on preferred stock called for redemption		1,125,000
		$ 1,292,838
Earned surplus at end of year, as per balance sheet (Note 4)		$38,767,425

NOTES TO FINANCIAL STATEMENTS

1. Net current assets and deferred expenses of Canadian subsidiary companies and the results of their operations have been reflected in the accompanying financial statements at official rates of exchange at the close of the year; property accounts have been reflected on the basis of approximate cost of exchange.

2. Properties are stated at cost, excepting certain properties appraised at sound values in 1916 and 1926; the balance at Dec. 31, 1944 of the appraised values in excess of cost, not yet covered by depreciation, was $715,192 ($756,989 in 1943). Depreciation provided for 1944 aggregated $3,418,774 ($3,122,726 in 1943).

3. Renegotiation of 1943 business with U.S. Government departments resulted in a net refund of $68,473 which has been charged against the reserve for contingencies. No specific provision has been made in respect of 1944 business; the net amount refundable, if any, will not be material in relation to the year's profits.

4. Under the provisions of the loan agreement of Dec. 20, 1944, a maximum of $10,000,000 of the earned surplus of Dec. 31, 1944 was available for dividends (except stock dividends), or for the purchase or retirement of capital stock other than the preferred stock redeemed Jan. 31, 1945.

5. Estimated postwar refunds, amounting to $1,100,000 in 1944 ($1,500,000 in 1943) have been deducted in determining the provision for excess profits taxes.

6. In accordance with the company's policy of carrying intangibles (trade-marks, patents, and good will, etc.) at the nominal amount of $1.00, intangibles acquired during 1944 were written off against earned surplus. Intangibles acquired in prior years for cash and for shares of capital stock were applied against earned surplus or capital surplus (or reserves created therefrom), or were not reflected in the common capital stock account in connection with the original issue of common stock therefor.

ACCOUNTANTS' OPINION

To the Board of Directors and Stockholders of
General Foods Corporation: February 21, 1945

We have made an examination of the consolidated balance sheet of General Foods Corporation and wholly owned subsidiary companies in the United States and Canada as at December 31, 1944, and of the related statements of income and surplus for the year 1944. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included such tests of the accounting records and other supporting evidence and such other procedures as we considered necessary.

In our opinion, the accompanying consolidated balance sheet and related statements of income and surplus present fairly the position of the companies consolidated at December 31, 1944, and the results of their operations for the year 1944, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

PRICE, WATERHOUSE & CO.
56 Pine Street, New York 5, N. Y.

The consolidated balance sheet of General Foods Corporation and wholly owned subsidiary companies at Dec. 31, 1944, and related financial statements have been prepared under my supervision and, in my opinion, present fairly the position of the companies consolidated as of that date and the results of their operations for the year.

Feb. 21, 1945. WAYNE C. MARKS, *Acting Controller*

ADVERTISEMENT ADVERTISEMENT ADVERTISEMENT

SOUTHERN RAILWAY COMPANY

Fifty-First Annual Report for the Year Ended December 31, 1944

Richmond, Virginia, March 26, 1945.

To the Stockholders of
SOUTHERN RAILWAY COMPANY:

The Board of Directors submits the following report of the affairs of the Company for the year ended December 31, 1944, which is the annual report it is contemplated formally to present to the stockholders of the Company at the annual meeting due to be held on May 15, 1945.

I.

The Year 1944

The revenue from the operation of the railroad was $260,978,544 in 1944 as contrasted with the previous high revenue of $245,532,051 in 1943, an increase of 6.29%.

The volume of business handled and the receipts therefrom as compared with the previous year were:

	1944	1943
Freight moved (tons)	65,587,514	61,747,215
Average distance moved (miles)	244.46	247.79
Ton miles	16,033,255,370	15,300,520,696
Average revenue per ton mile	1.165¢	1.129¢
Total freight revenue	$186,821,986	$172,799,049
Number of passengers	13,472,869	14,678,774
Average journey (miles)	199.46	177.52
Passenger miles	2,687,308,323	2,605,816,163
Average revenue per passenger mile	2.206¢	2.213¢
Total passenger revenue	$59,270,726	$57,660,240

Freight revenue for 1944 of $186,821,986 constituted a new high record, as did passenger revenue of $59,270,726, the increases over the previous year 1943, being 8.12% and 2.79%, respectively.

The proportion of passenger revenue to total revenue declined from 23% in 1943 to 22% in the current year, both these percentages being in excess of what has heretofore been considered a normal proportion of passenger revenue. The large amount of 1944 passenger revenue is explained by the fact that during the year the Company ran 9,634 special and extra sections of regular trains handling armed forces alone, carrying thereon 1,751,536 members of the armed forces. On regular trains the Company handled a total of 11,721,333 passengers and of this number it is estimated that more than 50% were members of the armed forces.

The increase in Operating Expenses was larger than the increase in gross revenue, operating expenses consuming $156,911,481 in 1944, a new high in the Company's experience, an increase of $20,307,328 or 14.87% over 1943, as contrasted with the increase of 6.29% in gross revenue.

Railway Tax Accruals, including the accruals for Excess Profits Taxes, amounted to $66,641,178, which was $3,796,058 less than in 1943 due to there being less net after expenses. Taxes consumed 25.54¢ out of every dollar of gross revenue.

The comparative ratios of the several categories of Operating Expenses, expressed in the number of cents out of each dollar of revenue, were as follows:

	In 1944	In 1943
Transportation	28.69¢	25.25¢
Maintenance of Way	11.74¢	10.96¢
Maintenance of Equipment	15.70¢	15.12¢
Traffic expenses	.99¢	1.12¢
General expenses	1.90¢	2.24¢
Incidental expenses	1.10¢	.95¢
Totals	60.12¢	55.64¢
Taxes	25.54¢	28.68¢
	85.66¢	84.32¢

The Company had left in the till for all other corporate requirements (after providing for the expense of operation, taxes and equipment and joint facility rents) only 12.80% of the 1944 gross revenue, as compared with 14.56% in 1943 and 22.61% in 1942, although gross revenue increased in each year over the previous one.

The successive decreases in the past two years in Net Railway Operating Income, exactly in inverse order to the increases in gross revenue, are attributable to a continuing upward trend in the cost of doing business. For example, total payrolls for 1944 amounted to $91,149,707, an increase of more than 10% over 1943, with an increase of less than 5% in the number of employees.

Net Income

The Net Income (after charges and taxes) for 1944 amounted to $22,261,814, as compared with $23,528,589 for the year 1943.

Fixed charges were covered 2.55 times. After deducting dividends of 5% on the Preferred Stock, the balance of income for 1944 was equivalent to $14.84 per share of Common Stock, as compared with $15.81 per share in 1943.

Use in 1944 of the Company's Financial Resources

After paying operating expenses, taxes payable in 1944 of $72,000,000 and fixed charges, the Company used its treasury monies (mentioning major items only) as follows:

(1) Devoted $12,264,301 of treasury cash to capital improvements to road and equipment, as compared with $10,184,715 of similar investments in 1942, and $10,294,215 in 1943. Included in such charges for 1944 was the sum of $2,957,517 for improvements to the Company's equipment, of which approximately $1,500,000 was the entire cost of new Diesel-electric locomotives, paid for in cash.

(2) Expended from the treasury approximately $2,600,000 more in 1944 than in 1943 in providing adequate materials and supplies for the increased volume of business handled during 1944.

(3) Disbursed approximately $8,050,000 in the continuing program of "debt retirement".

(4) Disbursed dividends payable in 1944 amounting to $6,570,050.

(5) Had left on December 31, 1944, (a) $72,300,000 of temporary investments in Government securities, as a reserve against an accrued tax liability of approximately $66,600,000, and as a reserve for other corporate necessities, and (b) the cash shown in the balance sheet. The balance sheet cash is reducible by items which were not cleared through the banks as of December 31, 1944.

Dividends

(1) Dividends of 5% on the Preferred Stock, aggregating $3,000,000 were declared out of 1944 earnings, being four dividends of $1.25 per share each, paid and payable, respectively, on December 15, 1944, and March 15, June 15 and September 15, 1945.

(2) A dividend of 75¢ per share on the Common Stock, requiring $973,650, was declared out of the balance of 1943 earnings, and paid December 15, 1944, making the aggregate paid on the Common Stock, out of 1943 earnings, $2.75 per share.

(3) A regular quarterly dividend of 75¢ per share on the Common Stock was declared January 23, 1945, out of 1944 earnings, payable March 15, 1945.

To recapitulate the Company's recent dividend record: Dividends were resumed in 1942 (after a lapse since 1931) with dividends aggregating $5 per share on the Preferred Stock, out of 1942 earnings, which rate on the Preferred has been continued annually since that time. Common dividends of $2 per share were declared out of 1942 earnings, $2.75 per share out of 1943 earnings, and quarterly dividends at an annual rate of $3 per share were established with the declaration of the quarterly dividend of 75¢ per share, payable March 15, 1945, from 1944 earnings.

All of the above dividend disbursements will have aggregated approximately $19,000,000. The Company from its resources and earnings of the past five years has put back into the property in capital improvements $46,400,000, and has reduced long term debt, exclusive of equipment trust obligations, by more than $74,000,000.

II.

Progress in 1944 Toward Meeting Post-War Problems

When the war ends, the railroads will be confronted with intensified problems—less revenue, coupled with the difficulty of obtaining compensatory rates, and levels of expense that are difficult to reduce. In addition, they will face new forces of competition. Measures to prosper in such a period must be sought and found.

Among such measures are new techniques of efficient, safe and economical maintenance and operation, the installation of modern economical processes, devices and machines, the trimming of the tree of the corporate organization so as to cut off any unprofitable branches, continuing reduction in the burden of interest-bearing debt, the legitimate influence of public opinion in favor of the well-being of the industry, and an intelligent and determined promotion of the development and prosperity of the territory to be served. Along such lines, the Company has made progress in 1944.

Operations and Maintenance

Operations and maintenance of way and equipment were directed and conducted in 1944 with two definite objects in view, viz., to carry the tremendous load of freight and passenger traffic with safety, economy and efficiency, despite the relative scarcity of manpower and equipment, and to use the available resources of the Company to make the property better, more efficient and more economical to operate.

Although the increased wage level, effected through the increases mentioned in last year's Report, prevented the "cost of transportation" ratio again to reach down to the low figure of 25.25% of 1943, 1944's "C. T." of 28.69% was creditable under war-time circumstances, and compares favorably with other railroads' operating results for the year.

The year 1944 passed without serious casualty in train operation, the goods and passengers, the huge volume thereof considered, being transported with as good average performance as could be expected. The ratio of bad order cars and locomotives, in order that they might be available for the year's service needs, was kept approximately to the same low minimum as reported for 1943.

Maintenance, both of way and equipment, despite certain shortages in material and supplies, and in the face of an increasing shortage of manpower, was accelerated and increased, both of necessity because of the current level of business and the continued high level of business to be expected in 1945, and also in the endeavor to make the property more economical to operate.

Maintenance of Way and Structures cost $30,654,358 in 1944, an increase of $3,737,547, or 13.89% more than in 1943. Large items included therein were the repairs to 48 miles of road damaged in the floods of September, 1944, and the maintenance expenditures included in the charges for the continued trestle filling program, there having been filled in 1944 an additional 1.54 miles of trestles in 70 separate locations, thereby permanently eliminating some 2,300,000 board feet of timber.

Expenditures for Maintenance of Equipment for 1944 were the largest in the Company's history, amounting to $40,980,700, an increase of 10.38% above the corresponding figure of 1943. This increase was necessary in the effort to restore the wear and tear caused by the extraordinary amount of engine and car mileage run during the year.

Capital Investments to Make Future Operations More Economical

In addition to the investments in new equipment, mentioned below, further progress was made in 1944 in the continuing program of modernization of the Company's plant, both way and equipment, through the expenditure of capital money for processes, devices and machines which will make future operation more efficient and economical. Among some of the most noteworthy of such items:

On the mechanical side, there was the construction of new Diesel-electric shops, a traction motor shop for renewing Diesel-electric motors and improvement to some 40 of the Company's steam locomotives, serving to increase their efficiency and economy.

From the standpoint of improvements to, and modernization of, roadway, there may be mentioned the installation of automatic electric water pumps, the application of heavier tie plates to prolong the life of crossties, the continued installation of spring switches to replace time consuming manually operated switches, an expanded program of purchasing automotive trucks for the handling of certain materials, the installation of flashlight signals to relieve crossing watchmen, and the purchase of numerous power operated machines such as automatic tools, graders, ditchers and bulldozers. As an example of new techniques developed, a laundry for dining car linen and uniform coats was put into successful operation during 1944, cutting almost in half the necessary inventory of such supplies, and effecting a substantial saving in costs as compared with previous commercial laundry bills.

New telephone circuits were installed during the year, supplementing the already indispensable communication system of the Company, additional automatic track signals were put into operation, and many mechanical loaders and devices for more efficient handling of the materials were installed in roadway and mechanical storehouses.

New Rail

During the year 1944 there were laid 47,171 tons of new rail, as compared with 40,733 tons laid in 1943, 38,787 tons in 1942, and 20,925 tons in 1941.

Orders for 1945 have been placed for 78,600 tons of new rail.

The price of new rail, which had been fixed since the year 1939 at $40 per ton at the mill, was increased, effective January 11, 1945, with approval of the O.P.A., to $43 per ton, which increase will substantially increase the expenses of the Company during the current year.

New Equipment

With a view not only to the current level of business, but also looking to the future when more modern equipment will continue to earn its cost, the program of equipment acquisition was continued, but no new debt was incurred during the year in connection with such purchases.

During 1944, there were delivered substantially all of the 950 new all steel freight train cars, formerly restricted by orders of the War Production Board, which were included in the Company's 1942 Equipment Trust, Series "JJ".

Eighteen new Diesel-electric switching locomotives of 1000 horsepower each were delivered and paid for during 1944, and are now giving efficient service.

There were also delivered late in December, 1944, and paid for in January, 1945, the four 5400 horsepower Diesel-electric road freight locomotives, mentioned in last year's Report, at an aggregate cost of approximately $2,000,000. Two additional 5400s, costing approximately $1,000,000, were delivered in February, 1945, and were also paid for in cash.

To take care of current business and for economy in future operations, the Company now has on order, for delivery in 1945, three 5400 horsepower road freight Diesel-electric locomotives, seven 1000 horsepower Diesel-electric switchers, four small 44-ton Diesel-electric switchers and six 4000 horsepower road passenger Diesel-electric locomotives.

Reduction of Debt and Fixed Charges

During 1944 the Company continued its program of reducing debt and the burden of fixed charges.

The Company's Development and General Mortgage Bonds, which mature in 1956, and which originally were outstanding in the principal amount of $111,333,000, were reduced to a balance of $79,154,000 outstanding in the hands of the public as of December 31, 1944. An additional principal amount of approximately $1,500,000 of these Bonds was acquired by the Company during January and February, 1945. The average interest payable on the aggregate balance of the three series of

ADVERTISEMENT

Development and General Mortgage Bonds outstanding on March 1, 1945, was at the annual rate of 4.97%.

The average interest payable on the Company's equipment trust obligations has been reduced from 4.41% in 1930, to a current average rate of 2.60%.

The Company's annual fixed charges, as defined by the Interstate Commerce Commission, less income from securities of its leasehold estates owned by the Company, which were shown in last year's Report at a net amount of $13,500,000 as of March 1, 1944, were at the net annual rate of approximately $12,900,000 at December 31, 1944, a reduction of nearly 25% since 1932.

The miscellaneous income charge on account of Southern Railway-Mobile & Ohio Stock Trust Certificates amounted to a net figure of $150,456 annually at December 31, 1944, as compared with $194,940 at December 31, 1943.

Reserves have been set aside for the acquisition by the Company of the Mobile and Birmingham Bonds, outstanding in the aggregate principal amount of $1,800,000, maturing July 1, 1945.

The table of funded debt at the end of 1944 showed the following reduction from a year ago:

Funded Debt

	Dec. 31, 1944	Dec. 31, 1943
Funded Debt	$207,820,000	$215,446,000
Leasehold Estates	*52,929,600	*52,929,600
Equipment Trust and Miscellaneous Obligations	30,666,658	35,688,834
	$291,416,258	$304,064,434

*Includes $5,000,000 of The Atlanta and Charlotte Air Line Second Mortgage 3¾s owned by the Company.

Rates and Fares

The Interstate Commerce Commission, on December 12, 1944, continued the suspension of the freight rate increases (which were in effect from March 18, 1942, until suspended on May 15, 1943) for the entire year 1945.

Industrial Conditions

The South continued its important contribution to the Nation's war production program during 1944. Its many and varied industries bent their efforts essentially in one direction—production for war.

New munition factories were planned and additions to existing war plants authorized, many of which are served by the Company's lines. Announcements by several large companies of the acquisition of new plant sites point, however, to further industrial development in the immediate post-war period.

Steel production in 1944 was near peak levels due to the increased demand for war materials, and products of mines and quarries made a new record.

The cotton textile industry continues to rank as one of the most vital war industries in the South; although due to labor shortages, active spindle hours and mill consumption of cotton were less in 1944 than in 1943. The cotton-growing States, with 76% of the total cotton spinning machinery of the country at the end of 1944, worked 84% of the total spindle hours and consumed 8,557,000 bales of cotton, or 88% of the total mill consumption in the United States.

During the year, the Company's handling of cotton was 1,449,228 tons, constituting 68% of the total consumption by mills in the cotton-growing States.

The rayon industry established another record in 1944, with an increase of 9% over last year's production. The output of viscose tire yarn in 1944 was more than twice as large as in 1943.

The drilling for oil in several of the Southern States has been further advanced during the year, one of the principal areas being on the Company's subsidiary, the New Orleans and Northeastern Railroad, near Heidelberg, Mississippi, and plans are now being consummated for the establishment of an oil refinery there.

ADVERTISEMENT

Southern agriculture again progressed toward greater production of food, feed crops and livestock. In states served by Southern Railway System, 1944 cotton production was 5,987,000 bales, an increase of more than 9% over that of 1943.

During the year, 78 new industries were established, and additions made to 32 existing plants, at points served by the Company.

The Company has continued to lend its every aid to the development of the industry of the South.

Public Relations

The relations of this Company with public authority, state and national, have been almost entirely cordial and cooperative. One outstanding exception, however, was the position taken by the Department of Justice of the United States, affecting all the railroads. Notwithstanding these are days of war stress and manpower shortages, the Department felt that it was necessary in the performance of duty imposed by law to harass and embarrass the railroads by instituting suits, securing indictments and making investigations charging violations of the Federal anti-trust laws. The railroads deny any violations of law, but above and beyond that, feel that such time-consuming procedure should await the termination of the war emergency.

The Company, during the year, continued its public relations program inaugurated in 1942.

Advertisements, built around the call to "Look Ahead—Look South!", appeared regularly in 20 business magazines and financial periodicals, and other advertising featuring the Company's contribution to the winning of the war was regularly scheduled in 418 on-line newspapers, reaching a combined total circulation of more than 81½ million readers. Similarly, advertising specifically addressed to farmers appeared regularly in 12 farm publications. Thus, the total circulation of all Southern Railway advertising during 1944 was approximately 94½ million.

Advertising constituted only a part of the Company's public relations program. Related activities were newspaper, magazine and radio publicity, the distribution of literature, poster production and display, and cooperation with authors, editors, educators, government officials, and promotional agencies in Southern territory.

The Board records, with deep regret, the death on October 16, 1944, of their esteemed colleague, John Stewart Bryan.

Conclusion

Perennial problems have been mentioned in this report and are called to the attention of the stockholders. Imagination and courage will surmount them, and with the help of the owners and of an informed public opinion, the Company hopefully looks forward to the post-war era, confident in its ability adequately to serve the South, and to pay a return to the owners of the property who through their investment have expressed their faith in Southern Railway.

The warm appreciation of the management is extended to all officers and employees for their effort, skill and continued loyalty in the year just closed.

Respectfully submitted, by order of the Board,

ERNEST E. NORRIS,
President.

SOUTHERN RAILWAY COMPANY
Financial Results for the Year

	In 1944	In 1943
The Company received from freight, passenger and miscellaneous operations a total revenue of	$260,978,544	$245,532,051
The cost of maintaining the property and of operating the railroad was	156,911,481	136,604,153
Leaving a balance from railroad operations of	$104,067,063	$108,927,898
Federal, state and local taxes required	66,641,178	70,437,236
Leaving a balance of	$37,425,885	$38,490,662
The Company paid to other companies for hire of equipment and use of joint facilities in excess of the amount received by it from those sources	4,010,044	2,745,905
Leaving an income from railway operations of	$33,415,841	$35,744,757
Other income derived from investments in stocks and bonds and miscellaneous items was	3,518,811	2,843,218
Making a total income of	$36,934,652	$38,587,975
Interest on funded debt and equipment trust obligations, rents paid for leased railroads and miscellaneous deductions totaled	14,672,838	15,059,386
Resulting in a net income of	$22,261,814	$23,528,589

SOUTHERN RAILWAY COMPANY
Financial Position at the End of the Year

	On December 31, 1944	On December 31, 1943	Increase or *Decrease*
The Company had investments in land, railroad tracks, terminal facilities, shops, locomotives, freight and passenger cars and other fixed property of	$566,591,806	$556,053,290	$10,538,516
In addition the Company had investments in stocks, bonds and notes of affiliated companies and other investments carried at	52,598,362	59,015,868	*6,417,506*
Total Investments	$619,190,168	$615,069,158	$4,121,010
The Company had cash and special deposits amounting to	$33,170,969	$31,424,886	$1,746,083
And temporary investments in U. S. Government Notes	72,300,000	64,000,000	8,300,000
Other railroad companies and others owed the Company	17,380,723	22,788,235	*5,407,512*
The Company had on hand fuel, rails, ties, bridge material and other supplies necessary for keeping road and equipment in good order	14,470,000	11,867,711	2,602,289
Deferred assets and unadjusted debits, including items owed to but not yet available to the Company	12,277,706	14,733,040	*2,455,334*
The Assets of the Company totaled	$768,789,566	$759,883,030	$8,906,536
The Company owed for materials, supplies, wages and balances to other railroad companies, and interest, dividends and rents accrued but not yet due	$29,791,746	$29,713,823	$77,923
Taxes accrued but not due	66,189,015	70,692,484	*4,503,469*
Operating reserves	2,080,873	2,090,296	*9,423*
Reserve for depreciation of road and equipment and amortization of defense projects	68,605,348	57,530,285	11,075,063
Deferred liabilities, including items due to others, but not yet adjusted	18,240,591	15,652,776	2,587,815
The total of these liabilities, credits and reserves was	$184,907,573	$175,679,664	$9,227,909
After deducting these items from the total assets there remained, for the capitalization of the Company, net assets of	$583,881,993	$584,203,366	*$321,373*
The capitalization of the Company consisted of the following:			
Funded Debt, including bonds, equipment trust obligations, etc.	$238,486,658	$251,134,834	*$12,648,176*
Preferred Stock	60,000,000	60,000,000	------
Common Stock	129,820,000	129,820,000	------
Making a total capitalization of	$428,306,658	$440,954,834	*$12,648,176*
After deducting this capitalization from net assets there remained a surplus, largely invested in the property, of	$155,575,335	$143,248,532	$12,326,803

OUR REPORTER'S REPORT

Progress being made in the marketing of Pacific Gas & Electric Co.'s huge $80,000,000 issue of new first mortgage 3s is being scrutinized carefully in underwriting circles.

Offered at a price of 107⅝ to return a yield of 2.66% to maturity, the undertaking was not one of those "out-the-window" propositions.

It was not expected to be, but even so the movement of this issue is widely viewed as a reliable barometer of the probable scope of new corporate financing in the period between now and May 14, when the Treasury takes over for its Seventh War Loan.

The Pacific Gas issue, a center of a lively controversy between the company, the Securities and Exchange Commission and a group of midwestern bankers, was shifted from a negotiated basis between company and its traditional bankers, to a competitive basis with the issuer receiving two bids separated by a difference of only .03 basis points.

Somewhat better than half sold, the time which is consumed in placing the balance of the issue and thus freeing up capital funds of underwriters and their distributors is expected to weigh heavily on the volume of new financing which is ahead for the next six weeks or so. The current issue, however, is not out of line, on a yield basis, since it is noted that its outstanding 3s of 1971, 1974 and 1970 are currently quoted to yield from 2.62 to 2.65%.

May Affect New Issue Bids

Including four large railroad loans, which are impending, and several big utility refinancing programs which are definitely in the works, the next six weeks could, if all prospective issues materialize, bring out an aggregate of something over $600 millions of new bond and senior stock issues.

With a few minor exceptions, the bulk of this total would consist of issues which are now subject to competitive bidding. Rules affecting the capital-loan ratio of many firms, particularly those which are members of the New York Stock Exchange are stringent.

When deals "back up" the ability of such firms to participate in new underwritings is correspondingly shortened. Three of the recent new offerings are in that category, namely the Pacific Gas bonds, those of Laclede Gas Light and the preferred stock of Florida Power.

These will without question work off, given time. Of that there is no question. But should any considerable time be required, many firms holding such issues would be out of the running as far as new syndicate participations are concerned.

Would Complicate Things

The exception proves the rule. The case of Commonwealth Edison Co. of Chicago's projected refinancing of its $113,000,000 of outstanding 3¼% bonds is an instance.

Ordinarily, investment bankers would be bewailing the fact that such an undertaking would involve no public offering of the new securities. In this instance, however, there is a tendency to give thanks in view of the many issues already set up and waiting to go.

The outstanding bonds are held by a group of insurance companies and the company is working out an exchange plan under which they will accept new 3s for their holdings.

Late Summer or Early Fall

Evidently some potential issuers are taking a second look at the calendar of prospective refinancings before giving consideration to plans which they themselves have in mind.

That seems to be the case as far as Puget Sound Power & Light Co. is concerned. Stockholders were told at the annual meeting recently that if market conditions continue as they are, the company will weigh the advisability of refinancing its $52,000,000 of outstanding first 4¼s which are callable next year at 108⅝.

But Frank McLaughlin, President, revealed that such a program would await the closing of the Seventh War Loan which means that it would come late in July or shortly thereafter.

Buchanan Houston Dies

Buchanan Houston, limited partner in the New York Stock Exchange firm of H. T. Carey, Joost & Patrick, 120 Broadway, New York City, died at his home at the age of sixty-nine. Mr. Houston joined the brokerage firm in 1926, becoming a limited partner two years ago.

David Ellis Dead

David W. Ellis, senior partner in Ellis & Co., Dixie Terminal Building, Cincinnati, died after an illness of several months. Mr. Ellis had been in the investment business for more than thirty years, beginning his career with Seasongood & Mayer, and organizing his own firm in 1922.

Delaware Power & Light Co.
Common

Federal Water & Gas Corp.
Common

Southwestern Public Service Co.
Common

PAINE, WEBBER, JACKSON & CURTIS
ESTABLISHED 1879

Public Utility Securities

Stockholders' Reports

In general, stockholders' reports of operating utility companies appear to be as informative as the best type of industrial corporation report, and somewhat more illuminating than the average railroad report. The utilities appear to be making a conscientious effort to improve the form and scope of their reports. Consolidated Edison, for example, recently mailed to approximately 750 members of the New York Society of Security Analysts a copy of their 1944 report, with a questionnaire and letter from which we quote as follows:

"This letter is inspired by an article in the recent issue of 'The Analysts Journal' entitled 'Retrogression in Annual Reports to Stockholders?' in which the point is made that the recent trend toward modernizing and streamlining has resulted in less informative reports.

"We have felt for many years that if our report was to be directed to one group more than any other, that group should be the sophisticated investors, those who can readily comprehend the financial statements and statistics presented and who at the same time welcome the information furnished by a running account of the year's activities.

"We have believed that this group, which includes the members of your organization, is, by reason of ability to interpret the company to others, the best liaison we have with holders of large amounts of our securities.

"We would now like to know how closely we have come to providing this group with what it needs and wants in an annual report, and we are canvassing your membership to try to find out."

The questionnaire asks for specific criticism or comment on 14 items in the report, together with suggestions of a general character. The Edison report seems unusually complete in that it includes bits of information not always revealed—such as the amount of depreciation and amortization in the consolidated income tax return (which exceeds only moderately the amount in the stockholders' report); discussion of fuel costs and bi-monthly billing economies; increased maintenance costs due to operation of equipment "at higher sustained loads than that for which it had been designed;" and the increase in depreciation to offset tax savings resulting from five-year amortization of war facilities. Attention is called to the adjustment of $2,100,000 to offset tax savings due to bond retirements.

The report estimates that the war load amounted to about one-quarter of the year's sales, despite the fact that the aluminum plant in Queens was operated only part of the year. The discussion of wartime restrictions would have been more complete if it had included an estimate of potential revenue losses from the current brownout. Data on the power interchange with Niagara Hudson is of interest, but might have been amplified in terms of revenues.

The important merger proceedings (a necessary preliminary to the company's broad refunding program, which will include almost the entire bonded debt and the preferred stock) were discussed rather more briefly in the report than the importance of the subject might have warranted.

The chart comparing Edison's revenues with electric and gas revenues for all utilities, and with national industrial production for the period 1929-44, is of interest as reflecting the company's stability and the relatively sluggish growth of New York City business during the war.

Regarding statistics, the tabular presentation is not as complete as might be desired. The table of kwh. sales and revenues would be improved by showing the percentage of the total for the various classes of customers (residential, commercial, etc.). As in many other reports and prospectuses, no figures are given on average kwh. revenues for residential or other classes of service—although the data can easily be worked out on a slide rule by the inquisitive analyst.

The report does not include any discussion of certain important questions which have arisen with respect to utility accounting methods, such as the issue over "original cost." The possibility of a plant account write-off of some $66,000,000 is buried in a balance sheet footnote. The rapid growth in the depreciation reserve under present accounting rules is noted in the text, but no comment is made on the fact that the reserve is still low based on the straight-line depreciation theory sponsored by the Public Service Commission of New York (some time ago the Commission suggested a huge increase in Niagara Hudson's reserve, on this basis).

The report, supplemented by the informative bulletins, "News and Views for Stockholders," issued on dividend dates, may well serve as a model for the industry in many respects.

Di Giorgio Fruit common & preferred
Midland Utilities debentures
New England Public Service pfds.
Robbins & Myers com. & pfd.

GILBERT J. POSTLEY & CO.
29 BROADWAY, NEW YORK 6, N. Y.
Direct Wire to Chicago

Cartels Imperil Economic Progress

(Continued from page 1371)

cess of work or thought. Yours is the task of analyzing in an impartial and logical manner these grandiose schemes, and of pointing out the fallacies in their glittering promises. It is in the hope of making some small contribution in assisting you in that task that I have come here tonight.

The Undermining of Competitive Enterprise

In recent years there have been various pressures undermining our competitive enterprise system and pushing us toward a collectivist system under ever expanding governmental authority. I shall discuss tonight only one of these pressures, that of monopolistic restraints of trade. The widespread movement that recently has come to the front to cartelize world trade under government control through so-called "trade accords" is, in my opinion, the greatest danger now threatening economic progress in America. My desire is to arouse you to a realization of the gravity of that danger, and through you, our leaders of business, industry and the American people.

Discussions of this sort mean very little unless we have before us a clear definition of the terms and words we are using, and a definite exposition of the principles upon which we make our stand. So as a starting point, all that I shall say shall be bottomed upon a strong and fervent faith in the superiority of our American competitive enterprise system as a means of raising the standard of living for all, providing employment for those able and willing to work, and creating opportunities for men and women to utilize their talents to the utmost.

Business and industry render their greatest service to the Nation when they constantly produce better products and services at lower prices through an efficiency that reconciles a low cost policy with the payment of high wages. But that objective can be realized only through constantly increasing the productive efficiency of everyone engaged in business and industry. It cannot be achieved under the restrictions of bureaucratic control; nor can it be achieved in the face of featherbedding practices, whether imposed by government, labor or the owners of industry; and it cannot be achieved if we are going to adopt policies that remove obth the stimulas and the means to increased efficiency by reducing alike the rewards for seeking it and the penalties for ignoring it.

Cartels and Collectivism

If you believe in that principle and its implications, then you cannot regard cartels, in any form, as good business practices. If you do not belive in that principle, if you favor collectivism in our economic life, national socialism, national ownership and all the other philosophies which lead to the all powerful State, then you will find cartels an admirable instrument to achieve your objectives.

When I use the word cartel I mean an arrangement whereby two or more independent enterprises undertake to restrict the production, fix the prices, and/or allocate markets or sales quotas covering commodities in which they trade. This is the so-called private cartel.

A government-controlled cartel is such an arrangement under the direction or with the sanction of the government having jurisdiction over such enterprises and it usually contains provisions for the enforcement of the arrangement.

A super-state cartel is an arrangement requiring independent enterprises to restrict production, fix prices and/or allocate markets made pursuant to an international agreement or treaty between two or more governments which undertake in some manner to enforce upon their nationals the terms and conditions of such an arrangement.

The private cartel embraces monopolistic practices in restraint of trade that have been outlawed in this country for more than 50 years. The evil and reprehensible nature of such practices is beyond dispute. Their effect has been to destroy initiative; close the door of opportunity for new individual entrepreneurs; destroy small business units; encourage inefficiency; raise prices and thus lower the standard of living. These fruits of the cartel system result in the freezing of industrial progress to the detriment of workers, consumers and those with savings to invest.

Few voices today are openly raised in defense of the so-called private cartel. But there is a school of thought which believes that an undertaking which is against the general welfare, and thus bad, can be made good if it is conducted under government control. Illustrative of the government-controlled cartel were the N.R.A. codes of a few years ago. There we have the Government urging and even forcing upon American industries practices which, if undertaken outside of the N.R.A. codes, would have been unlawful. Their counterpart has flourished in Europe for many years and is a primary reason for the backwardness of European industry compared with our own.

Super-State Cartels

The super-state cartel is a relatively new evolution of the cartel idea, under the deceptive labeling of "trade accords." These agreements compound all the evils found in private and government-controlled cartels, adding to them a dangerous expansion of power in our Federal government through the treaty-making device. Illustrative of the super-state cartel is the abortive Anglo-American Petroleum Agreement submitted to the United States Senate last summer, but subsequently withdrawn under pressure of the unanimous protest of the American petroleum industry. The objectives of this proposal were never clearly set forth beyond vague statements that the purpose was to bring about an orderly development of the world's oil resources through the stabilization of the operations of the industry.

Such euphemisms as "orderly development"; "stabilization"; "fair competition"; "rationalized competition"; "elimination of waste" and "fair prices" always are used to describe the objectives of a cartel! They are terms which should immediately arouse your suspicions and command your close scrutiny.

The Anglo-American Oil Agreement

The Anglo-American Oil Agreement provided the framework for restrictions on the production of petroleum and its products, the fixing of prices and the allocation of marketing quotas upon the recommendations of an International Petroleum Commission. Inherent in the implications of the Agreement was the aassumption of an obligation by our Federal government, when it concurred in such recommendations, to undertake to carry them out in the domestic field. This would necessitate the exercise by the Federal government of an authority which it does not now possess under our Constitution, since jurisdiction over natural resources is among the powers reserved to the States in the Tenth Amendment.

The Federal government would have gotten the authority to fullfill its part of the bargain made with other nations through the treaty-making power.

Our Constitution makes treaties the supreme law of the land on a par with the Constitution itself, and overriding other Federal laws, and State Constitutions and laws which may be in conflict with the treaty. Thus the reserve powers of the States would, through treaties dealing with them, fall into the orbit of Federal authority and jurisdiction.

As a matter of fact, such a procedure is the only lawful way, since the N.R.A. was declared unconstitutional, to cartelize effectively the American petroleum industry. Even were private cartels lawful, there are too many enterprises within the industry for any master plan to embrace all of them. Those outside of the cartel arrangement in a reasonably short time would succeed in defeating the conspiracy. To make a petroleum cartel effective here it must necessarily be implemented by the lash of governmental authority. What is more, the petroleum industry, by and large, wants no part of cartel action, since its growth has resulted from spirited competition. Here we had the amazing spectacle of the administrative agencies seeking to force an industry into a super-state cartel against its wishes.

Throughout the controvesy over the Oil Agreement, it was difficult to avoid the conclusion that those who had proposed it were desirous of taking a short cut designed to change our American system over night to the status of the German system of national socialism. Just remember that the advocates of Socialism long have proposed the promotion of cartels in the conviction that a system of extensive monopolies controlled by the State paved the way for a socialist economy. The Fascists and Nazis seized upon existing cartel systems for the foundation of their totalitarian states. For those reasons I believe the super-state cartel is far more reprehensible and detrimental to the public welfare than private cartels entered into by individual companies, bad as they are.

Other Proposed Cartels

Much of what I have said specifically in regard to the Oil Treaty, would be applicable to similar undertakings affecting other industries. This use of the treaty-making power to override Constitutional limitations and set the stage for transforming our American system into National Socialism is a danger that may engulf all of us. During the controversy over the Petroleum Agreement, it was reported that similar international agreements were contemplated covering approximately 60 commodities and services in international trade. These were said to cover rubber, tin, sugar, coffee, shipping cargo space and global airways. Undoubtedly others had to do with metals, leather, wool, cotton, chemicals, as well as manufactured articles that could be fitted into a cartel framework.

The list is sufficiently broad, if those plans are pursued, to encompass part of world trade in a super-state cartel system. More alarming, however, this movement would entangle a large part of our domestic economy in the tenacles of the vicious cartel system, with destructive repercussions upon every other line of economic activity. International trade and domestic trade are not two differentthings. They cannot be isolated in compartments, one from the other. They are parts of the same thing. This country cannot be cartelized in its foreign trade and free in its domestic enterprises,

(Continued on page 1389)

Mr. Wallace and Planned Economy

(Continued from page 1371)

On its face, economic planning, even apart from the vast virtues urged for it, seems highly logical. Do not all businesses, all private enterprises, plan, it is eagerly asked? Indeed they do, and the more the better, especially in the post-war period. But so-called "economic planning" means overall planning by persons outside those enterprises, for the direction or operation of practically all business. Such planning is by no means to be confused with planning from within by partners or boards of directors. Full development of economic planning is the socialist state, by its less semantic name.

Example of Russia

The best example of economic planning is the Russian U. S. S. R. One may view that extraordinary development with complete admiration for the war achievement, and in any case with objectivity as to its domestic side. Exposition of that system, not by outsiders but by recognized Russian authorities, bases it on "liquidation of the capitalist economic system" and substitution of "planned direction of virtually all economic activities by the Soviet State and Communist Party, which guides all the activities of the toiling masses."

The Russian domestic plan is of course in sharp contrast to our own. We still adhere to the basic idea of a state exercising necessary controls and furnishing relief when needed, but in the main leaving economic life to the free energies and associations of the people. Our political bill of rights, our liberties, are associated with that system.

Economic Planning and American Enterprise

Comparatively few in our country advocate the substitution here of "economic planning" for American enterprise. Certainly Mr. Wallace does not do so: with Mr. Wallace the question is as to the ultimate effect of measures which he would undertake, with the highest of motives. At the same time there is an astonishing amount of background literature coming from philosophers and widely read writers, which does make for the adoption here of economic planning.

It is significant, for example, that the title of a recent book by Professor Harold J. Laski, now of the London School of Economics, was expressively "Reflections on the Revolution of Our Times." The opening sentence there is:

> "We are in the midst of a period of revolutionary change that is likely to be as profound as any in the modern history of the human race."

Farther on Professor Laski says:

> "What is certain is that we are moving into an era of planned society: what is quite uncertain is the purpose for which we can plan."

An acute American conmmentator, dealing with the subject from a very different point of view, entitled his recent book "The Revolution Was."

Mr. Wallace in addressing the Senate Committee, as elsewhere, does maintain that we may be able to work out a desirable future under the American plan by greatly increased Government activity and participation. Yet it should be noted that not infrequently expressions of his elsewhere veer rather away from that possibility. Thus, he states in one of his frequent books:

> "We must invent. build and put to work new social machinery. This machinery will carry out the Sermon on the Mount as well as the present social machinery carries out and intensifies the law of the jungle."

He visualizes "that continuously planned harmonious relationship which I call the Land of Tomorrow."

Approach to continuously planned relationships is not likely to come through direct advocacy, but step by step, without declaration or realization of objective. If the difficult but real line between Government regulation of private business and actual management or operation is deserted, the end seems inevitable.

Let it be supposed that the Government does guarantee to every American the right to a desirable job—in the end this hopefully conceived guarantee would involve the Government in the direction of jobs and of work—otherwise the guarantee has little meaning. Most jobs must be in what we know as private industry, not in public works. If government is to attempt to increase very much the number of jobs in that area, the Government would have to have most of the say there.

In war time, control of the use of material and of production effort is necessary, and such control must be continued in transition to peace.

Continuance of that control in peace is another matter. It is one thing to take the industrial plants created by the Government for war production and make them available for private industry in peace, and quite a different thing to keep such plants in peace as Government plants, even though called "yard sticks."

There is a great attraction in supposing that the Government can in some way pay for most of what the citizen desires, with little concern to how Government finances are ultimately supported. Sucha writer as Mr. Stuart Chase regards the fear of inflation, of crushing national debt, of breaucracy and paternalism all as bogies. He sees ahead

> "a new kind of profit system which is not based on capitalism: a new kind of private enterprise which is not based on private initiative—a system under which the government provides the capital and takes the risk."

The ultimate consequence of unlimited Government spending and risk taking is likely to be the Government take over of enterprise.

The trouble with planned economy, in spite of its supposed benefits, is that it is impossible to see how such an economy can work without dictatorship. In time of war there is one clear social objective, but in time of peace so many questions would arise, so many difficulties would be presented, so many controls would have to be exercised, that resort would have to be made to arbitrary power.

The view that planned economy means dictatorship is thoughtfully presented in a recent little book by Frederick A. Hayek, of the London School of Economics, "The Road to Serfdom." It is one thing to criticize that book and another to answer the argument. Professor Hayek is an Austrian economist, who knows revolution at first hand. By no means does Professor Hayek advocate compulsory labor, as has been recently asserted. On the contrary, he points out that if jobs are to be guaranteed under a planned economy compulsion is the only alternative.

Planned Economy Questions

Planned economy necessarily presents two great questions: Can that system actually supply goods and jobs in greater abundance than free economy? And from the human standpoint, can we afford to replace a system that proceeds on the basis of liberty, with one that proceeds on the basis of compulsion?

The question insistently asked by those who oppose planned economy and steps leading to it, however sincerely proposed, is "But what have you to suggest as an alternative?" The alternative is of course the basic American plan, constantly corrected and improved, but still true to the fundamentals of freedom.

Putting the matter rather simply, if your health leaves something to be desired, and someone suggests a new remedy claimed to assure the greatest vigor and vitality, you do not necessarily take it: you might well distrust the ultimate effect of the powerful remedy. You might still prefer to rely upon the tried route of sound health habits.

I repeat "The most fruitful economy the world has ever seen has not lost the springs of vitality, nor is it ready for the paralyzing blueprint of the official. We Americans do not love monopoly and only by inattention or blindness could we turn over our beloved country to the greatest of all monopolies—the superstate."

Lt. Col. Lawrence Is With Kaiser in N. Y.

Kaiser & Co., members of the New York Stock Exchange, announce that Lt. Col. Walter E. Lawrence, formerly manager of the firm's Los Angeles branch, has joined the New York office, 25 Broad Street. Serving in the Army Air Corp. from July, 1941, until last month, when he was released from active duty, Colonel Lawrence was in command of the 37th Service Group of the 15th Air Force Service Command.

49TH ANNUAL REPORT

SOUTHERN CALIFORNIA EDISON COMPANY LTD.

(AND SUBSIDIARY COMPANY)

YEAR 1944

Consolidated Income Account and Summary of Earned Surplus Account for the Year Ended December 31, 1944

Consolidated Income Account

Gross Earnings		$ 64,959,341
Operating Expenses and Taxes		
Operation and Maintenance	$ 17,468,020	
Taxes—State, Local and Miscellaneous	6,620,591	
Provision for Federal taxes on income	17,525,200	
Provision for Depreciation	7,871,365	
Amortization of acquisition adjustments	261,805	49,746,981
Gross Income		$ 15,212,360
Interest and Other Deductions		4,858,320
Net Income		$ 10,354,040

Summary of Consolidated Earned Surplus

Balance, January 1, 1944		$ 11,782,818
Add: Net Income for the year ended December 31, 1944		10,354,040
		$ 22,136,858
Deduct:		
Dividends	$ 9,795,948	
Miscellaneous charges (net)	137	9,796,085
Balance, December 31, 1944		$ 12,340,773

Consolidated Balance Sheet, December 31, 1944

Assets		
Plant, Property, Rights, Franchises, Etc. (Stated substantially at cost)		$362,760,157
Cost of Electric Plant Requisitioned by United States Government, amount of settlement not determined		2,359,545
Miscellaneous Investments		3,089,188
Debt Discount, Redemption Premium and Expense on Refunded Issues ($10,536,841), being amortized over period ending December 31, 1959, less net premiums received on outstanding issues ($2,637,112) being amortized over lives of such issues		7,899,729
Capital Stock Selling Expense on Original Issues		3,368,417
Prepaid Accounts and Deferred Charges		7,315,598
Current Assets:		
Cash in Banks and on hand, and Working Funds	$ 4,846,370	
United States Government obligations at cost	27,600,000	
Accounts and Notes Receivable, less $726,457 Reserve for Uncollectible Receivables	4,430,490	
Construction and Operating Material and Supplies, at cost	3,385,735	40,262,595
		$427,055,229

Liabilities		
Stated Capital:		
Capital Stock (Par Value $25 per share)		
Preferred—		
3,466,857 Shares	$85,441,811	
Common—		
3,182,805 Shares	70,743,697	$156,185,508
Long Term Debt		138,000,000
Deferred Liabilities		767,764
Current Liabilities and Accruals		
Accounts and Dividends Payable	$ 4,118,797	
Accrued Taxes	23,815,905	
Accrued Interest	1,405,000	29,339,702
Reserves		89,028,348
Contributions in Aid of Construction		1,393,134
Earned Surplus		12,340,773
		$427,055,229

(THE ABOVE STATEMENTS ARE CONDENSED FROM THE PUBLISHED ANNUAL REPORT)

PRIMARY MARKETS IN

BANK and INSURANCE STOCKS

HUFF, GEYER & HECHT

New York 5
67 Wall Street
WHitehall 3-0782
NY 1-2875

Boston 9
10 Post Office Square
HUBbard 0650

Chicago 4
231 S. La Salle Street
FRanklin 7535
CG-105

PRIVATE WIRE SYSTEM CONNECTING: NEW YORK, BOSTON, CHICAGO, PHILADELPHIA, ST. LOUIS, LOS ANGELES, SAN FRANCISO, SEATTLE
TELEPHONES TO
HARTFORD, Enterprise 6011 PORTLAND, Enterprise 7008
PROVIDENCE, Enterprise 7008

Bank and Insurance Stocks

This Week — Insurance Stocks

By E. A. VAN DEUSEN

Two weeks ago this column presented the 1944 operating results, on a per share basis, of 14 representatives fire-marine insurance companies, compared with their 1943 figures. This week similar comparisons are presented for an additional 19 representative companies. The figures are on a parent-company basis and do not include the earnings of partially or wholly owned subsidiaries. Underwriting profits have been adjusted to include the change in stockholders' equity in the unearned premium reserves.

It will be observed that seven of the 19 companies exprienced underwriting losses, Baltimore American broke even, while 11 companies showed net underwriting profits. However, these results are before Federal Income Taxes. In all except three cases, viz: Globe & Republic, National Fire and New York Fire, net investment income was sufficient to offset underwriting losses.

NET EARNINGS PER SHARE

	1943				1944			
	Net Und.	Net Inv. Inc.	Fed. Tax	Total Net Operating	Net Und.	Net Inv. Inc.	Fed. Tax	Total Net Operating
Baltimore American	—$0.14	$0.42	$0.05	$0.23	----	$0.44	$0.04	$0.04
Boston Insurance	9.52	31.74	2.44	38.82	$4.40	31.33	1.47	34.26
Franklin Fire	0.13	1.33	0.38	1.08	—0.50	1.35	0.20	0.65
Glens Falls	2.75	1.48	1.03	3.20	1.69	1.49	0.28	2.90
Globe & Republic	—0.63	0.86	----	0.23	—1.72	1.12	----	—0.60
Hanover	1.16	1.54	0.59	2.11	0.28	1.59	0.10	1.77
Hartford	3.91	3.24	1.50	5.65	2.29	3.55	0.78	5.06
Home Insurance	1.76	1.45	0.91	2.30	0.25	1.44	0.17	1.52
Homestead	—0.61	1.33	0.47	0.25	0.07	1.16	0.25	0.98
National Fire	1.42	2.36	0.01	3.77	—2.67	2.43	Cr0.01	—0.23
National Liberty	—0.13	0.37	0.03	0.21	—0.07	0.38	0.01	0.30
New Brunswick	—0.57	1.96	0.20	1.19	—0.30	1.97	0.18	1.49
New York Fire	—0.57	1.18	----	0.61	—1.52	1.34	----	—0.18
North River	0.50	1.12	0.34	1.28	0.58	1.16	0.35	1.41
Providence Washington	1.79	1.78	0.70	2.87	0.96	1.87	0.18	2.65
St. Paul F. & M.	1.98	2.70	0.83	3.85	1.83	2.83	0.48	4.18
Security	0.39	1.52	0.01	1.90	—0.70	1.68	0.06	0.92
United States Fire	1.41	2.63	0.81	3.23	1.41	2.68	0.74	3.35
Westchester	1.65	1.73	0.85	2.53	0.54	1.82	0.40	1.96

Moderately better total net operating profits in 1944 compared with 1943 are shown by Baltimore American, National Liberty, New Brunswick, North River, St. Paul Fire & Marine and United States Fire. As a group, however, total net operating profits in 1944 were approximately 15.5% below 1943 results. Net underwriting profits were 73% lower, net investment income 1.6% higher and Federal income taxes 48.5% lower.

A recent issue of Best's Bulletin Service shows aggregate figures for 215 stock fire companies, from which the following summarized tabulation has been derived:

	1943	1944	Change	
Capital and surplus	$1,517,596,000	$1,622,362,000	+$104,766,000	+ 6.9%
Unearned premium reserves	816,211,000	894,629,000	+ 78,418,000	+ 9.6
Net premiums written	928,002,000	1,011,440,000	+ 83,438,000	+ 9.0
Statutory underwriting	40,460,000	—81,109,000	— 61,569,000	—152.2
Net investment income	76,471,000	81,309,000	+ 4,838,000	+ 6.3
Federal taxes	24,841,000	10,241,000	— 14,600,000	— 58.8
Dividends	66,688,000	62,577,000	— 4,111,000	— 6.2

Underwriting results are shown on a statutory basis and consequently do not reflect the stockholders' equity in the increased unearned premium reserves. The aggregate increase in this item amounts to $78,418,000, and since the stockholders' equity in this increase is conservatively assured at 40% or $31,367,000, it is clear that 1944 adjusted underwriting results, in the aggregate, approximated around $10,000,000 profit.

It is too early to attempt to prognosticate what the experience of fire-marine insurance companies will be in 1945. It is fairly safe to say, however, that investment income will probably be moderately higher than it was in 1944, as 1944 was higher than 1943. Underwriting results will depend principally on the fire record; if fire losses decline below the $423,538,000 of 1944, underwriting results should be favorably affected. Fire losses in January and February were approximately 12% higher than they were in the first two months of last year. Companies which wrote a relatively large proportion of lines other than fire, such as ocean marine, inland navigation, motor vehicle and extended coverage, which were profitable, did better in 1944 than those heavily underwritten in fire. By the same token such companies would seem to have the best prospects for 1945.

Central Hanover Bank & Trust

Bulletin on Request

•

Laird, Bissell & Meeds
Members New York Stock Exchange
120 BROADWAY, NEW YORK 5, N. Y.
Telephone: BArclay 7-3500
Bell Teletype—NY 1-1248-49
(L. A. Gibbs, Manager Trading Department)

Agricultural Insurance

Bought—Sold—Quoted

A. M. Kidder & Co.
Members New York Stock Exchange and other leading exchanges
1 WALL ST. NEW YORK 5
Telephone DIgby 4-2525

The Defects of the International Monetary Fund

(Continued from first page)

Fund. In order to explain to you our understanding of the Fund, I would like to use an illustration:

The Clearing House Analogy

Let us assume that we are visiting a clearing house in one of our large cities. Clerks for various banks sit at a high desk. Other clerks walk around the desks and deliver bundles of checks. Each bank that is a member of the clearing house delivers its checks on the other banks and receives in return the checks drawn on itself. A balance struck by the manager of the clearing house readily determines the amount of debit balances against those banks having more checks against them than they have on others and a similar amount of credits to the other banks. Soon after the clearings are made, the debtor banks give the clearing house checks on the Federal Reserve Bank in settlement of the debit balances. At the same time the clearing house issues its checks to the banks having credit balances. In this manner enormous quantities of checks are cleared daily with a comparatively small amount of actual payment of money. In other words, the amount of money needed to settle the total clearings runs about 10%. You will notice that the balances are settled in legal funds at once. These operations are taking place all over this country daily.

There was a time, however, when this method of settling balances had to be changed to meet an emergency. That was during the panic of 1907. At that time there were no Federal Reserve Banks and it was the practice of the banks to settle their debit balances by actual delivery of gold and currency. But in 1907, runs on the banks occurred and they paid out large amounts of money. When the withdrawals continued, money became scarce and some banks were unable to provide for the usual settlement of debit balances. Then a plan was devised by which the clearing house issued certificates, usually of large denomination, which showed that the bearer member bank had a credit of that amount at the clearing house and that the certificate was receivable by all members in settlement of balances. These certificates were then used in the place of money. They were issued in the following manner:

The bank short of money submitted certain of its notes receivable to a committee of the clearing house for examination and with it an application for credit with the clearing house for a given amount. If the Committee found the notes to be acceptable collateral, and found the bank's financial condition showed it to be solvent, it would enter into a contract with the bank whereby the bank pledged its collateral in return for clearing house certificates. In this manner the banks helped one another and created a credit mechanism which tided them over the crisis.

Because the clearing house exacted a stiff rate of interest the banks paid off their obligations as rapidly as conditions improved and within a few months the confidence had been restored. Money came into circulation and the clearing house certificates were retired.

Now let us compare the proposed Bretton Woods Fund with the plan the banks followed in 1907, because conditions are very similar. In normal times the nations have settled their trade balances with gold by shipment from one country to another—in principle like the banks settled before 1907, although, of course, there was no institution similar to the clearing house. But now, on account of the fact that the distribution of gold has become unequal, some of the great trading nations are unable to make settlement in gold. Just as in 1907 some of the banks were unable to get the gold or currency. It is therefore necessary to provide some sort of assistance to those countries in order to revive active multilateral world trade. So the representatives of governments have devised the Fund as the method of accomplishing this.

Consider now that the manager of the clearing house has become the manager of the Fund, and instead of the banks being the members of the clearing union, we find the 44 member nations. Of course they have no daily settlements, as the banks have in clearing their checks, but with the revival of world trade there will be innumerable transactions between countries, and as the volume of goods flows more heavily into one country than its exports flow out, that country must sooner or later settle the difference by a payment to the exporting countries in currencies acceptable to them or gold. If it finds itself short of those currencies and gold, let us suppose that it applies to the Fund which for the purpose of this illustration we will imagine is in operation and the applicant country a member.

Objection to the Fund

Now here is one of the objections we have to the Fund. The applicant does not put up collateral but merely its own note without maturity, non-negotiable and non-interest bearing, although it really pays a low interest rate in the form of charges. The note upon demand on the Fund must be converted into the currency of the country giving the note. That would be very much like a bank in 1907 putting up its note without collateral and upon demand of the clearing house substituting its own cashier's check drawn upon itself.

It seems to those of us who have long been in the banking business that that is not the way to lend money. There is no distinction between those countries having good credit based on past performance and those having a poor credit. It is the opinion of members of our Committee who have studied the plan and who have talked with members of the various delegations that many of the countries will feel that they have a right to exchange their currencies for other currencies in the Fund so long as they do not violate the purposes of the Fund, which, as you know, are so broadly drawn that there could be many different interpretations in the application of them. We think that each loan should be studied and that proper security should be taken. The authors of the Fund agreement evidently had in mind the necessity for some such program because in Article 5, Section 4, there is a provision for waiver of conditions, and in this section it says that the "Fund shall take into consideration a member's pledge as collateral security gold, silver, securities or other acceptable assets having a value sufficient in the opinion of the Fund to protect its interest and may require as a condition of waiver the pledge of such collateral security."

According to Dr. White's testimony, he believes that the managers of the Fund should inquire into the credit worthiness of the applicant for use of the resources of the Fund, but it seems evident that the representatives of other countries may very properly refer to Article 5, Section 3, in which it says that "a member shall be entitled to buy the currency of members in exchange for its own currency under four conditions," none of which refers to the credit worthiness of the applicant.

A Second Objection

This brings me to the second criticism that we have of the proposal of the Fund, namely, its ambiguity. I am sure that those of you who have studied the provisions of the Fund have found it very difficult to interpret. I ask you to compare this document with Lord Keynes' proposal for a clearing union, which was the first of these plans for stabilization of currencies.

In his plan, Lord Keynes expresses clearly the purposes for which the plan is drawn and the reasons back of them in a very lucid manner. I think it is easy to understand what his plan contemplates. In the proposal for the Fund, however, there are no explanations, but a very brief and general Articles of Association prepared in a legalistic way to such an extent that if it were a domestic corporation, we could all feel sure that before it could properly function, the courts would have to determine the meaning.

We know from experience that any contract to be successfully performed must reflect a meeting of minds. It must be apparent to any one that in the present case many compromises were made and a document was drawn which might be interpreted in different ways by different persons.

The discussions that have taken place in this country and in England are evidence that there is already a difference of understanding between two of the principal members of the Fund. Certainly the men who proposed this plan are experts in the use of the English language and they could have expressed their meaning in a way that even bankers and members of Congress might understand. One wonders why these masters of English prose did not give the world another exhibition of their talent. The answer, however, is not difficult to find. Dr. White, in his testimony here and in statements that he made at the St. Louis meeting, explained that the Fund was adopted as a bridge to close the chasm that laid between public opinion in the United States and public opinion in the United Kingdom. In our country there is still a strong feeling for hard money and the

Royal Bank of Scotland
Incorporated by Royal Charter 1727

HEAD OFFICE—Edinburgh
Branches throughout Scotland

LONDON OFFICES:
3 Bishopsgate, E. C. 2
8 West Smithfield, E. C. 1
49 Charing Cross, S. W. 1
Burlington Gardens, W. 1
64 New Bond Street, W. 1

TOTAL ASSETS
£115,681,681

Associated Banks:
Williams Deacon's Bank, Ltd.
Glyn Mills & Co.

NATIONAL BANK of INDIA, LIMITED

Bankers to the Government in Kenya Colony and Uganda
Head Office: 26, Bishopsgate, London, E. C.
Branches in India, Burma, Ceylon, Kenya Colony and Aden and Zanzibar

Subscribed Capital £4,000,000
Paid-Up Capital £2,000,000
Reserve Fund £2,200,000

The Bank conducts every description of banking and exchange business
Trusteeships and Executorships also undertaken

gold standard. Whereas in England there is a strong feeling against the gold standard and in favor of a managed currency. Therefore, it has been necessary for Dr. White to assure us that the Fund does not interfere with the operation of the gold standard and for Lord Keynes to emphatically inform the House of Lords that the plan is the exact opposite of the gold standard.

Unfortunately, there is no court before which this Fund agreement can be interpreted because the instrument provides that the interpretation shall be by the executive directors. In other words, the men who may differ in the interpretation must decide, or they must reach a compromise or else the Fund will end in failure. It is our belief that such will be the case, and if the Fund should fail, it will not only fail to bring about harmony in our international relations, but it will create discord and in effect be a boomerang. Again I say we are not objecting to technicalities. We are objecting to this program because we believe that it will end in failure and will bring about disharmony, and will encourage the opponents of international cooperation.

Control of Fund Criticised

The third point to which we wish to call your attention is that of the delegation of powers. Under the plan the executive director will be appointed by the President subject to confirmation by the Senate. After confirmation, his responsibility is solely to the President. The executive director may himself appoint an alternate who in his absence may accept the full authority of the executive director. This alternate must be approved by the President, but does not require the confirmation of the Senate. Now in all banking operations with which we are familiar the executive officers are required to report to an executive committee and their actions must be authorized or confirmed. We feel that the lack of this control is a very great weakness in the plan. In an institution of this character, involving as it does matters of great national importance, it seems to us that the executive director should be required to have approval from somebody, such as a committee suggested in the report of the American Bankers Association, or to Congress itself, or to some committee of the Congress. It is easy to see that the executive directors of the United States, United Kingdom and Russia can largely control the actions of this organization. We do not know what authority the other nations will give to their representatives, but if they should follow the same course that is here recommended three individuals would have greater economic powers than have ever been conferred on anybody in the world.

We realize that there must be a delegation of power sufficient to operate efficiently and promptly, but we urge that some body of control be required which will have authority over our executive director.

Fund Tends Toward Managed Economy

In concluding my statement, I wish to call attention to what to me is the most dangerous aspect of the Fund and that is its tendency towards managed economy and that is totalitarianism. If, as Dr. White feels, the Fund should exercise strong control over its members and its members should acquiesce in that control, then we would have in operation a body which to a degree managed the economy of each member country. As you will see on studying the plan, any member country following the instructions of the management of the Fund will in turn have to apply very close management of exchanges in its own country. For example, take the reference to the transfer of capital funds and the agreement of one country to assist another in carrying out its transfer of capital funds. It will evidently be necessary to have almost complete control of all foreign exchanges. Everyone having foreign exchange transactions of any consequence will have to give proof satisfactory to some agent of government that it will be consistent with the government's regulations about about control of capital funds. If we in this country should not attempt to control the flow of capital funds, believing it better to have free and unhampered exchanges, we are bound by the agreement to assist any other country, which, as now, will readily institute exchange controls over capital transfers. Some commentators on this believe that it may be necessary to even continue the censorship of mail in order to live up to a member's obligations to the Fund.

Fund Will Require Control of Foreign Exchange

It is our opinion that the Fund cannot successfully operate except by the use of extreme powers which will in turn require the members to manage meticulously foreign exchange transactions. Or, in other words, we see here an economic super-state imposing its will on its members and the members in turn adopting or extending a program for managed currency. Now we have all been told that a benevolent despot is the best government, and as long as the Fund is operated wisely there will probably be little trouble, but it requires a large degree of optimism to believe that all 44 nations will at all times be satisfied with the actions of the Fund. If they feel badly treated or dissatisfied with the operations of the Fund, they have a right to withdraw. That privilege applies, of course, to the United States, but as we are today the most favored nation in the way of liquid resources, our withdrawal would, no doubt, endanger the Fund and most likely would bring about international discord, the very thing that we are now attempting to prevent.

In conclusion, I would like to emphasize the sacredness of the trust which we in the United States hold. By reason of our wealth, our natural resources and our industrious people, we can make a great contribution to the well-being of the world. If we act wisely we can help others as well as ourselves. If we act foolishly, we can bring harm not only to the world but to ourselves as well. It is for that reason that we urge you to postpone action on the International Monetary Fund and to adopt the plan for the International Bank for Reconstruction and Development, with its terms amended, as will be later explained to you in detail.

N.Y. Stock Exchange to Compile Credit Data

The Board of Governors of the New York Stock Exchange on March 23 asked member firms to report each month the amount of credit being extended on securities to customers of member firms carrying margin accounts; the amount of such credit being extended on U. S. Government obligations; the amount of their customers' free credit balances; and the amount of cash such firms have on hand and on deposit with banks.

The reports are to be submitted to the Exchange as of the close of business on the last business day of each month. The reports are to be filed as promptly as possible after the end of each month but not later than the fifth full business day of the following month.

The Exchange will consolidate the reports and make public the data monthly.

Industrial Trust of Providence Issues Rts.

G. H. Walker Underwriter

The Industrial Trust Co., Providence, R. I., is offering to its stockholders 50,000 shares of new capital stock (par $20). The stock is being offered in the ratio of one new share for each four shares held, at $42 per share. Stockholders of record March 30, 1945, are entitled to subscribe for this stock at any time up to 12 o'clock noon April 21, 1945. Such stock as is not subscribed for by stockholders will be sold to G. H. Walker & Co., investment security dealers, and a group of associated dealers, for resale to the public.

G. H. Walker & Co. and the associated dealers plan to maintain a market for the rights during the period they are outstanding.

The new stock will be issued and dated on or about May 1, 1945 and will not be entitled to receive such dividend as may be declared payable on May 1, 1945.

The Trust Company, through its charter, as amended, has an authorized capitalization of $5,000,000. At the present time $4,000,000 of common capital stock has been issued which is divided into 200,000 shares with a par value of $20 each. On March 27, 1945, the board of directors voted to issue the remaining $1,000,000 of stock authorized but not yet issued by the sale of 50,000 additional shares.

In the opinion of Messrs. Hinckley, Allen, Tillinghast & Wheeler, legal counsel for the Trust Company, the shares offered have been duly and properly authorized, and, when issued pursuant to such authorization, will constitute valid stock, fully paid, non-assessable, and not subject to double liability.

The Trust Company is the largest banking institution in Rhode Island. On the list of the hundred largest banks, (exclusive of mutual savings banks) compiled by the American Banker as of Dec. 30, 1944, it ranks third in New England and seventy-first in the nation. It has the largest amount of savings deposits of any financial institution in Rhode Island.

As of Dec. 30, 1944, the Trust Company was administering trust department assets with a book value aggregating approximately $121,000,000.

TRADE MARK
GAMEWELL
REG. U.S. PAT. OFF.

Future of Insurance Companies

The insurance industry is being attacked from three vital angles

(1) Demand For Lower Rates

The public insistence on rate cuts will probably grow stronger—with the agents the greatest sufferers.

(2) Lower Income on Portfolios

The degree of injury sustained will depend upon future interest rates from which no immediate relief is in sight.

(3) Increased Fire and Casualty Losses

These losses can be largely reduced—Loss-ratios are inversely proportioned to municipal fire, police and traffic signals supplemented by sprinklers, automatic alarms and well-trained manpower. *Upon these the value of insurance stocks largely depends.*

YOU CAN HELP

Reduce Fire and Casualty Losses by Recommending—

(1) A FIRE ALARM BOX — *at every fire hazard.*★
(2) BETTER "HOUSEKEEPING" — *keeping the property free of rubbish.*
(3) ADEQUATE POLICE PATROL — *with recorded performance of police duty.*
(4) SPRINKLER SYSTEMS AND AUTOMATIC FIRE DETECTION SYSTEMS
(5) TRAFFIC SIGNALS — *at street intersections.*

★ 70% of the losses occur as a result of only 4% of the total fires. If municipal fire alarm boxes had been on this 4% of the buildings involved then over 50% of your total fire losses might have been eliminated.

The Gamewell Company

Newton Upper Falls Massachusetts

$250,000

Dominion
of
Canada

Guaranteeing
Canadian National
Railway Co.

Non Callable 4½% Bonds
Due September 1, 1951

Price 115
to yield 2.00%

Direct Private Wires to Buffalo,
Toronto and Montreal

DOMINION SECURITIES
CORPORATION

40 Exchange Place, New York 5, N.Y.

Bell System Teletype NY 1-702-3

Sees Russia Important Factor in World Trade

(Continued from page 1373)

many billions of dollars that have been so extensively quoted, or that this policy will be continued indefinitely. Capital cannot continue to flow indefinitely in one direction unless there is some chance that the flow of goods and services in the other direction will offset it. Trade is an exchange, and to talk about a one-way 'exchange' just doesn't make sense.

"The economic consequences of the war will require of Russia two things. One is the immediate reorganization of the transportation system; the other is the early re-equipment of agriculture with machines and other means of production, in order to provide the minimum food requirements of the industrial areas. For a short period following the war, Russia will buy tremendous quantities of transportation materials and agricultural equipment, including supplies for plants manufacturing these items in Russia. To a smaller extent, purchases of foodstuffs, seeds, breeding cattle and so on should be expected.

"These first purchases are essential. Russia will finance these imports with loans wherever loans are forthcoming; but she will not hesitate to buy on a cash basis. Deliveries will be needed immediately, and orders will be placed with those countries able to deliver without delay.

"Beyond this early period Russia will need practically unlimited quantities of all types of capital goods and equipment. Russian plans to expand her economic base in the Far East will require shipments of industrial supplies in almost endless quantities—if they can be financed. It is in connection with these needs that the question of medium and long-term loans will become most important."

Mr. Zelomek concluded that "both Canadian and United States exporters have a right to be optimistic about the possibility of trade with Russia, but it is not safe for them to take an uncritical attitude or to believe all the wild estimates that they may hear. Their thinking will be more realistic if they divide the trade outlook into two categories. Regular trade, conducted on a commercial basis similar to that of pre-war, will return to pre-war figures only gradually, and this return will depend on Russia's ability to export. Additional trade will consist of Russian imports of capital goods financed by medium and long-term loans. The volume of this additional trade depends almost entirely on long-term political stabilization. No private banker will be sure after this war what the state of affairs will be 10 or 20 years from now. If there are clashes between conflicting interests in the Far East, international loans to Russia at a later date may be much less than now expected."

Wheeling Steel Corp. Bonds Offered Publicly

A banking group headed by Kuhn, Loeb & Co., on March 27, offer a new issue of $24,000,000 first mortgage sinking fund 3¼% bonds, series C, of Wheeling Steel Corp. The bonds mature March 1, 1970, and are priced at 103% and accrued interest.

Net proceeds from the sale of these bonds, together with proceeds of a bank loan and other required corporate funds, will be used to retire, at 102½% and accrued interest, $30,000,000 first mortgage sinking fund 3½% bonds, series B, presently outstanding.

Other members of the underwriting group include Lee Higginson Corp.; Harriman Ripley & Co., Inc.; Blyth & Co., Inc.; The First Boston Corp.; Goldman, Sachs & Co.; Lazard Freres & Co.; Mellon Securities Corp.; Smith, Barney & Co.; Drexel & Co.; Hornblower & Weeks; Kidder, Peabody & Co.; F. S. Moseley & Co.; Paine, Webber, Jackson & Curtis; Stone & Webster and Blodget, Inc.; Union Securities Corp.; Estabrook & Co.; Whiting, Weeks & Stubbs; Moore, Leonard & Lynch; Singer, Deane & Scribner; A. E. Masten & Co.; Glover & MacGregor, Inc.; Graham, Parsons & Co.; Stroud & Co., Inc.; Alex. Brown & Sons; Baker, Watts & Co.; Stein Bros. & Boyce; Mackubin, Legg & Co.; Hayden, Miller & Co.; McDonald & Co.; Merrill, Turben & Co.; Curtiss, House & Co.; Field, Richards & Co.; The First Cleveland Corp.; Maynard H. Murch & Co.; A. G. Becker & Co., Inc.; A. C. Allyn & Co., Inc.; Central Republic Co., Inc.; Harris, Hall & Co., Inc.; H. M. Byllesby & Co., Inc.; Kebbon, McCormick & Co.; Bacon, Whipple & Co.; William Blair & Co., and The Illinois Co.

New York Stock Exchange Weekly Firm Changes

The New York Stock Exchange has announced the following firm changes:

Transfer of the Exchange membership of the late Ralph S. Richards to Nathan K. Parker will be considered by the Exchange on April 5. Mr. Parker will continue as a partner of Kay, Richards & Co., Pittsburgh.

Privilege of Henry J. Lemmermeyer to act as alternate for Charles F. Havemeyer of Homans & Co. was withdrawn as of March 22. Mr. Lemmermeyer has acquired the Exchange membership of Arthur E. La Branch.

A. O. Van Suetendael & Co., Yonkers, New York, will retire as an Exchange member firm as of March 29.

Alfred I. Preston will retire from partnership in Mitchel, Whitmer, Watts & Co. as of March 31.

Charles R. Butler, partner of Moore & Schley, died on March 18.

Interest of the late Herbert L Mills, Exchange member, in Dick & Merle-Smith, ceased as of Feb. 26.

GIVE NOW! ✚ GIVE MORE!

Wood, Gundy & Co.
Incorporated
14 Wall Street, New York 5

Canadian Securities

By BRUCE WILLIAMS

The proposal by Finance Minister Ilsley to Alberta's Premier Manning that the Dominion Government is willing to cooperate with the province in the rehabilitation of Alberta's credit, provided that the province fully recognizes interest arrears and also the contractual coupon rates, completely changes this situation, especially when it appears that Premier Manning has taken on himself the responsibility of spurning the Federal Government's offer of assistance and has taken a narrow political course in satisfying those fanatics of weird monetary doctrines within the Social Credit party.

Thus it appears that in the interests of party politics Mr. Manning is willing to jeopardize indefinitely not only the credit standing and future prosperity of his own province but he also stands in the way of the Dominion attaining that proud position where it could be said that the credit standing of all governments within Canada is intact.

Therefore, although the Dominion Government and the Alberta Bondholders' Committee have taken a somewhat belated stand, nevertheless the bondholders in general can now render signal service to Canadian financial prestige, and make a notable contribution towards a full development of Alberta's great natural resources by throwing their wholehearted support behind Mr. Ilsley in his insistence on a full restoration of the credit of Alberta.

On the political front the feature of the week was the overthrow of the Progressive Conservative Government of Ontario, instigated by the irrepressible Liberal leader Mitchell Hepburn, and brought about by a coalition of Liberals and members of the C. C. F. Following the ensuing provincial election it is to be hoped that the Conservative leader, Colonel Drew, will abandon his narrow course of unreasoning opposition to Federal policies, which forced him on so many occasions into contradictory positions, and which led eventually to his defeat. If, as is expected, he is restored to power, he can profit by past mistakes by looking beyond his provincial borders and following the example of Prime Minister Churchill in sounding a national call for the restoration, in the post-war era, of unfettered individual enterprise.

In a young dynamic country such as Canada, the fostering of the pioneer spirit is essential, without which the country can not attain the high destiny which those, blinded by bureaucracy, provincialism, and the narrow concepts of sterile socialism, can not see.

Turning to the market for the past week, the factors previously mentioned commenced to exercise their influence, and although prices were well maintained, there was a decided diminution of activity throughout the list. High-grades were neglected, and whatever interest was displayed was confined to Albertas and Montreals, in which issues there still appears to be scope for further eventual improvement.

Internals also were dull and free funds were inactive around 9⅞% discount, totally unaffected by the currency battle of Bretton Woods. In this connection, it is to be hoped that the increasing opposition to the International Monetary Fund will not prevent ultimate agreement on a universal currency stabilization scheme. However, the general opinion is shared that any international currency plan agreed upon should be put into operation by practical bankers and business men with adequate experience of international finance.

With regard to the possible future course of the market, it should be repeated that in view of the generally high level of prices and the imminence of the Eighth Victory Loan and the General Election, caution should be exercised in the taking of new commitments.

Aireon Mfg. Co. Places 150,000 Preferred Shares

The offering of 150,000 shares of 60 cent cumulative convertible preferred stock of Aireon Manufacturing Corp., made March 23, by a banking group headed by Reynolds & Co., was quickly oversubscribed and the books closed, the bankers reported. The stock was priced at $11.375 a share. The proceeds will be added to the general funds of the company.

Other members of the underwriting group were Henry F. Swift & Co.; Herrick, Waddell & Co., Inc., and H. O. Peet & Co.

TAYLOR, DEALE & COMPANY
64 WALL STREET, NEW YORK 5
WHitehall 3-1874

CANADIAN SECURITIES
Government · Provincial · Municipal · Corporate

CANADIAN BONDS
GOVERNMENT
PROVINCIAL
MUNICIPAL
CORPORATION

CANADIAN STOCKS

A. E. AMES & CO.
INCORPORATED
TWO WALL STREET
NEW YORK 5, N. Y.
RECTOR 2-7231 NY-1-1045

CANADIAN
STOCKS
Bought—Sold—Quoted

•

CHARLES KING & CO.
Members Toronto Stock Exchange
61 Broadway, New York 6, N. Y.
WHitehall 4-8980

Cleveland Stock Exch. Standing Committees

CLEVELAND, OHIO—At its regular monthly meeting held on March 19, the Board of Governors confirmed the following appointments by the President to the Standing Committees:

Executive Advisory Sommittee—W. Yost Fulton, Chairman, Maynard H. Murch & Co.; John D. Burge, Bell, Burge & Kraus; John S. Fleek, Hayden, Miller & Co.; Charles B. McDonald, McDonald & Co.; Charles B. Merrill, Merrill, Turben & Co.

Stock Listing Committee—Russell I. Cunningham, Chairman, Cunningham & Co.; A. J. Stiver, Saunders, Stiver & Co.; John P. Witt, John P. Witt & Co.; E. E. Parsons, Jr., Wm. J. Mericka & Co.; W. E. Beadling, Beadling & Co., Youngstown; L. J. Schultz, L. J. Schultz & Co.

Rules and Arbitration Committee—R. A. Gottron, Chairman, Gillis, Russell & Co.; A. R. McClintock; Daniel Baugh, III, Gordon Macklin & Co.; R. W. Snyder, John P. Witt & Co.

Membership Committee — S. Prescott Ely, Chairman, Curtiss, House & Co.; Gordon S. Macklin, Gordon Macklin & Co.; Theodore Thoburn, Hayden, Miller & Co.

Public Relations Committee—Morton A. Cayne, Chairman, M. A. Cayne & Co.; L. O. Birchard, Prescott & Co.; D. P. Handyside, Maynard H. Murch & Co.; E. E. Finley, Finley & Co.

Arrangements Committee—Paul Gaither, Chairman, Gillis, Russell & Co.; Norman V. Cole, Ledogar-Horner Co.; W. J. Carey, Gunn, Carey & Co.

Finance Committee — Daniel Baugh, III, Chairman, Gordon Macklin & Co.; R. A. Gottron, Gillis, Russell & Co.; D. A. Hawley, Hawley, Shepard & Co.

Ohio Valley IBA Group Officers & Committees

CINCINNATI, OHIO—The Ohio Valley Group of the Investment Bankers Association of America announces that the following have been elected officers for the coming year:

Thomas Graham

Thomas Graham, Chairman, The Bankers Bond Co., Louisville, Ky.

Ewing T. Boles, Vice-Chairman, The Ohio Co., Columbus, Ohio.

Chester A. Lucas, Secretary-Treasurer, Stein Bros. & Boyce, Louisville, Ky.

The following committees have been appointed by the group.

Executtive Committee

Robert B. McDowell, Blyth & Co., Louisville, Ky.

C. T. Diehl, Provident Savings Bank & Trust Co., Cincinnati, Ohio.

Anthony J. Armbrust, Merrill Lynch, Pierce, Fenner & Beane, Cincinnati, Ohio.

J. Austin White, J. A. White & Co., Cincinnati, Ohio.

Senator Stanley G. McKie, Governor ex-officio, The Weil, Roth & Irving Co., Cincinnati, Ohio.

Legislative Committee

James R. Burkholder Jr., Chairman, Almstedt Bros., Louisville, Ky.

Ewing T. Boles, The Ohio Co., Columbus, Ohio.

C. T. Diehl, Provident Savings Bank & Trust Co., Cincinnati, Ohio.

J. Berges Reimer, B. T. Moore & Co., Louisville, Ky.

Harry R. Niehoff, The Weil, Roth & Irving Co., Cincinnati, Ohio.

Educational Committee

Reamy E. Field, Chairman, Field, Richards & Co., Cincinnati, Ohio.

Campbell S. Johnston, W. E. Hutton & Co., Cincinnati, Ohio.

Berwyn T. Moore, B. T. Moore & Co., Louisville, Ky.

J. A. White, J. A. White & Co., Cincinnati, Ohio.

Maxwell Fuller, W. E. Hutton & Co., Cincinnati, Ohio.

Howard H. Banker, C. J. Devine & Co., Cincinnati, Ohio.

Meetings and Entertainment Committee

Robert B. McDowell, Chairman, Blyth & Co., Louisville, Ky.

Mrs. Ora Ferguson, Merrill Lynch, Pierce, Fenner & Beane, Louisville, Ky.

O. W. Hirschfeld, Stranahan, Harris & Co., Cincinnati, Ohio.

James M. Hutton, W. E. Hutton & Co., Cincinnati, Ohio.

W. L. Lyons Jr., W. L. Lyons & Co., Louisville, Ky.

Henry J. Hoermann, Provident Savings Bank & Trust Co., Cincinnati, Ohio.

Douglas W. Hill, Hill & Co., Cincinnati, Ohio.

Municipal Securities Committee

J. G. Heimerdinger, Chairman, Walter, Woody & Heimerdinger, Cincinnati, Ohio.

Chester A. Lucas, Stein Bros. & Boyce, Louisville, Ky.

J. E. Sohn, Lincoln National Bank, Cincinnati, Ohio.

Marion H. Cardwell, J. J. B. Hilliard & Son, Louisville, Ky.

Kentucky Municipal Committee

Harry R. Niehoff, Chairman, The Weil, Roth & Irving Co., Cincinnati, Ohio.

Wood Hannan, The Bankers Bond Co., Louisville, Ky.

James W. Chandler, Stein Bros. & Boyce, Louisville, Ky.

Joe Hillman, W. L. Lyons & Co., Louisville, Ky.

Membership Committee

Howard H. Banker, Chairman, C. J. Devine & Co., Cincinnati, Ohio.

Milton S. Trost, Stein Bros. & Boyce, Louisville, Ky.

Robert Reed, Hill & Co., Cincinnati, Ohio.

J. D. Van Hooser, J. D. Van Hooser & Co., Lexington, Ky.

Edward M. Battin, The Ohio Co., Columbus, Ohio.

John J. DeGolyer Co.

ROCHESTER, N. Y.—John J. DeGolyer is doing business in municipal, corporate bonds, and over the counter securities, under the firm name of John J. DeGolyer Company. Offices are at 42 East Avenue. In the past Mr. DeGolyer was a partner of Howlett & DeGolyer.

Courts & Co. Adds Neilson To Staff

ATLANTA, GA.—Courts & Co., 11 Marietta Street, N. W., members of the New York Stock Exchange and other Exchanges, announce that Russell F. Neilson has joined their organization, with headquarters at the LaGrange, Georgia office.

THE 45th ANNUAL REPORT OF

ST. REGIS PAPER COMPANY

FOR THE YEAR 1944

Shows

1. *All-out production for Victory.*
2. *Integration of operations and products.*
3. *Record sales volume.*
4. *Diversification of products.*
5. *Diversification of markets.*
6. *Re-employment plans for veterans.*
7. *Importance of wood cellulose products in War and Peace.*

Starting with the trees on owned or leased timberlands, with *operations* and *products* integrated, St. Regis Paper Company and its subsidiaries manufacture and sell a wide range of wood cellulose products. These commodities, industrial in nature and essential in character, include Pulp, Paper, Multiwall Paper Bags, Bag-making and Bag-filling machinery, Plastics and Rayon . . . currently, the entire production is for direct or indirect war use and for essential civilian requirements.

PACKAGING SYSTEMS

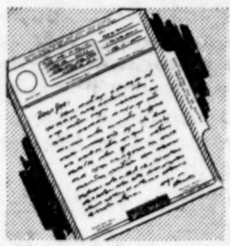
Multiwall Bags are helping deliver the goods on the war front and the home front. Made of several thicknesses of tough kraft paper, these heavy-duty shipping sacks resist moisture, exposure and rough handling . . . are preferred for chemicals, food stuffs, building materials and fertilizers.

Bag Machines . . . Bag-making machinery and a wide range of bag-packing machines are produced by the St. Regis Engineering and Machine Division. They are extensively used in the United States and many foreign countries to save time and manpower for industry.

RAYON

The latest addition to St. Regis family . . . rayon . . . is manufactured by the viscose process at the Skenandoa plant. Skenandoa's production is used for medical and hospital supplies and clothing for our armed forces and civilian populations of allied nations and occupied countries and for essential civilian clothing.

With improved and stronger yarns in the post-war period, Skenandoa will be foremost in the production of rayon for use in clothing, household furnishings, transportation and communication fields.



LIGHTWEIGHT PRINTING PAPERS

These papers provide clean, opaque sheets which require less wood, thereby helping to ease the pulpwood shortage. Uses include V-mail paper, overseas and domestic magazines, catalog and directory papers. Current research points to wider post-war uses.

PANELYTE

The St. Regis Structural Laminated Plastic is reducing weight, saving time and money on electrical and structural parts (molded and fabricated) for the Armed Services, the aviation, automotive, electronics, and refrigerator industries. Panelyte resists corrosion and high temperatures . . . not affected by water, brine, oil or ordinary solvents . . . supplied in paper, fibre glass, fabric, wood, or asbestos bases.

SUMMARY OF CONSOLIDATED INCOME for the Year Ended December 31, 1944

Net Sales, Royalties, and Rentals		$48,388,277.14
Costs and Expenses		42,798,447.26
Operating Income		5,589,829.88
Income Credits		413,969.22
Gross Income		6,003,799.10
Income Charges		419,150.02
Net Income before Provision for Income and Excess Profits Taxes		5,584,649.08
Provision for Income and Excess Profits Taxes:		
Federal:		
Income taxes .	$1,250,000.00	
Excess profits tax (less post-war refund of $116,000.00 and debt-retirement credit of $120,000.00)	$2,125,000.00	
Canadian and other foreign taxes (less Canadian post-war refund of $16,216.22) .	169,614.58	
Total		$ 3,544,614.58
Net Income before Deduction of Minority Interests . . .		2,040,034.50
Deduct Minority Interests in Income		186,520.69
Net Income		$ 1,853,513.81

St Regis Paper Company is in a favorable position to expand its business in all divisions during the years following conclusion of the war. Factors which support this belief are (a) the modernization program, (b) research and new developments, (c) widened acceptance of the company and its subsidiaries, and (d) the great diversity of markets and industries served.

Currently, St. Regis products move directly or indirectly to our Armed Forces and on lend-lease requirements. They also serve 30 major war-supporting industries.

DIRECTORS

J. O. Bulkley
T. H. Cosford
W. Delong
W. K. Dick
W. J. Dixon
R. K. Ferguson
M. F. Ford
H. R. Lamb
H. S. Lewis
H. E. Machold
C. R. Mahaney
R. B. Maltby
C. B. Martin
J. A. Quinlan
W. H. Versfelt

ST. REGIS PAPER COMPANY

TAGGART CORPORATION • SKENANDOA RAYON CORP.

New York 17: 230 Park Avenue

Chicago 1: 230 N. Michigan Ave. Baltimore 2: 2601 O'Sullivan Bldg. San Francisco 4: 1 Montgomery St.

St. Regis Paper Co. (Canada) Ltd., 924 Canada Cement Bldg., Montreal

Who Gets the Money And How Much?

(Continued from first page)

more materials and equipment, all of which create more employment. So far as social justice is concerned, the only portion of corporation earnings we need to consider is the portion paid out in wages, salaries, dividends, bonuses and interest—all of which are included in the personal income figures. The whole story of economic justice or injustice is found in personal income figures, so far as it can be reckoned in terms of money.

Here are the figures published by the Bureau of Internal Revenue for the last pre-war fiscal year *1939 showing the number of individual income tax returns, with net income, by net income classes (omitting the non-taxable returns), the aggregate income and total tax paid by each income class:

NET INCOME—INDIVIDUALS

Net Income Classes—	Number of Returns	Net Income (Round figures)	Total Tax Paid
Up to $5,000	3,213,948	$7,766,939,000	$88,968,000
$5,000 to 6,000	191,873	1,047,810,000	18,683,000
6,000 to 7,000	119,235	770,461,000	17,206,000
7,000 to 8,000	76,203	568,659,000	15,817,000
8,000 to 9,000	52,207	442,394,000	15,096,000
9,000 to 10,000	39,122	370,719,000	14,668,000
10,000 to 15,000	100,401	1,211,865,000	63,007,000
15,000 to 20,000	40,011	687,928,000	48,811,000
20,000 to 25,000	20,796	463,513,000	41,709,000
25,000 to 30,000	11,820	322,650,000	35,604,000
30,000 to 40,000	12,791	439,454,000	59,441,000
40,000 to 50,000	6,343	282,304,000	46,520,000
Over 50,000	11,668	1,176,296,000	425,404,000
Totals	3,895,418	$15,550,992,000	$890,934,000

These are very interesting figures. As they cover all personal incomes in America above exemptions they must include monopoly profits, tariff profits, and all other kinds of profits, so far as these profits go into the hands of individuals.

Where in this schedule of incomes would one look for the monopolists, the tariff beneficiaries, the interlocking directors, the rich bankers and profiteers in general? The chances are that most of them would be found in the $25,000 and over income groups. No sensible person would say that everybody with an income of $25,000 or more has obtained it unjustly by exploiting his fellowmen. Nevertheless, suppose we say, for sake of the argument, that all incomes over $25,000 are the result of profiteering or exploitation. Suppose we had passed a law that all excess income over $20,000, after taxes, be taken away and distributed—not to any group shown in the schedule, but to the low-income group whose earnings were below exemptions in †1938, and who therefore do not appear in the schedule. How much would the low-income group have been benefited by the distribution of that surplus?

	(round figures)
Number of personal incomes over $25,000	42,622
	Millions
Total of personal incomes over $25,000	$2,220
Income taxes paid by this group	567
Total incomes of this group less taxes	$1,653
Deduct 42,622 incomes at $20,000	852
Surplus	$801

What to Do With $801 Million?

Now let us divide this $801 million, not among the other groups in the schedule, but among the people who paid no income tax because their incomes were below exemptions—the group we want to help.

The generally accepted figure for the total of all personal incomes in that year was roughly $70 billion. The total incomes of all persons who paid income taxes was $15 billion. This leaves $55 billion as the total of the personal incomes of the low-income group who paid no income tax.

Dividing the excess of $801 million proportionately among this group whose incomes totalled $55 billion would increase the incomes of this non-taxpaying group $1.45 per $100 of income. The man with an income of $1.600 would receive an extra of $23.20 a year—$2.00 per month—one chocolate bar a day!

Or suppose we push the limit back to $10,000, after taxes, and distribute the surplus in the same manner:

Number of personal incomes over $10,000 before income taxes	203,830
	Millions
Total of personal incomes over $10,000	$4,584
Income taxes paid by this group	720
Total incomes of this group less taxes	$3,864
Deduct 203,830 incomes at $10,000 each	2,038
Surplus	$1,826

If this surplus of $1,826 million had been collected and divided among the same low-income group, it would have increased the incomes of this group $3.30 per $100 of income. The man who had an income of $1,600 would have received an extra of $1.01 a week!

It would be ridiculous to say that all personal incomes over $5,000 are the result of monopoly, or tariff, or profiteering of some kind, but if we went that far the increase in earnings to the same low-income group would be 5 cents on the dollar of their annual earnings—$75 on $1,500. That is what they would receive THEORETICALLY, but not actually, because long before we could readjust our national affairs to the $5,000 limit, the whole economy would crash in a wild bedlam of unemployment and starvation. (For any war year, owing to higher earnings of the low-income group, and the greatly increased taxation on all other groups, the possible gains to low-income receivers from such a distribution would be much less than these pre-war figures.)

We now have a clear picture of the effect on personal incomes produced by **all** forms of so-called "economic injustice." Whatever financial advantages there are in so-called "monopolies," in patents, in tariffs, in the whole private enterprise system, are not concentrated in the hands of a few but are diffused and distributed throughout the whole population in wages, taxes and prices of goods.

Incidentally, an analysis of income figures in Canada, and in Great Britain, shows that the pattern of their income distribution is practically the same as that of the U. S. A.

Where Is the Exploitation?

Here is clear proof that our present system of business and finance **automatically** distributes the total production of goods and services, measured in dollars and cents, in a manner that is within 5% of complete equity (not equality, which nobody wants). If one is willing to admit that **half** the people who have incomes of $5,000 or over have probably earned their incomes honestly, without injustice to their fellowmen, he can say without hesitation that **all** these items of so-called "exploitation" put together do not affect the earnings of the low-income group more than 2 cents on the dollar of their earnings.

The people are not being robbed by monopolies, by tariffs, by interlocking directorates, by the money system, or any other device; the common statement that business, banks and government are all operated "for the benefit of a few, and to the disadvantage of the many" is completely disproved.

This analysis is concerned entirely with incomes and not with accumulated wealth. Some reformers call for a redistribution of wealth, which is generally conceived as being money in a bank. Credit balances in the banks are but a small portion of the wealth of the country. Most of it consists of buildings, railroads, machinery, tools, materials—physical things which could not be divided among the whole population.

The only way wealth could be distributed would be by giving each individual **a stock certificate** for a share in the national wealth. But this certificate would be worth nothing if it did not pay dividends, which come from profits. It makes little difference who holds the certificates—what matters is, who gets the income from the certificates, and how much? Nothing could be accomplished by distributing "wealth" that is not now accomplished by distributing the income produced by this wealth. That is what makes the schedule of income so important—it shows where the income goes, and enables us to measure exactly whatever inequality there is in its distribution.

Most of the inequalities in income, not all, are the result of differences in intelligence, skill, disposition, and experience. Progress for the individual goes on steadily as he increases his intelligence, his skill, the quantity and quality of his production of goods or services. While the **average** standard of living for the nation as a whole moves forward slowly, individuals have abundant opportunity to improve their position, and are doing it by the millions every year. The important point is that these individual inequalities are not the result of an unsound or unjust **system,** and there is no ground anywhere for supposing that a change from private ownership to government ownership of everything would improve our living standards.

Distribution Is Not Our Problem

In these figures we also find the answer to the common statement that we have solved the problem of production, but have not solved the problem of distribution. The statement is wrong on both counts. The people have **not** produced enough goods and services to give themselves the standard of living they want, but they **have** solved the problem of distributing equitably more than 95% of all that is produced.

It is good to know that the so-called "injustice" of our present social order is of such puny dimensions. Granting that this is an imperfect world and that there are many instances of handicaps which we must be diligent to remove, it still remains that the way of life to which we are accustomed, which we call private enterprise, with all its hard work, and difficulties, and accidents, and unforeseeable emergencies, has served us extremely well. There is no essential injustice in the system. It provides opportunity for individual progress on reasonably fair terms, and produces results according to the intelligence and character of the people who use it.

This is not an argument for standpatism. There are excellent opportunities ahead of us for larger and finer living, but they are not to be gained by taking from one group and giving to another, because this small group of the rich and well-to-do have not enough to be of any importance when it is divided among the many.

How then are we to raise the standard of living? By steady employment of all who are able and willing to work, not in make-work jobs, but in the efficient production of necessary, useful, saleable or exchangeable goods and services, the responsibility for which does not rest upon employers alone but requires the intelligent co-operation of the whole people; by increased production per capita through training, better machinery, and better methods; by pulling together in a spirit of goodwill and fair play. Tax reform is highly important, but that is another story, which must wait for peace days.

It is quite clearly useless to expect an improvement in our affairs to come about through "soak the rich" legislation—that idea is as bare as Mother Hubbard's cupboard. We can have more and better of everything—by **producing** it—the wage-and-price system **will continue to distribute** the purchasing power to buy the goods with a very close approximation to complete equity.

A number of popular theories are now seen to be entirely untenable and some ambitious projects impossible:

(1) Taxation experts no longer have any basis for using taxation as a "social instrument" for the redistribution of wealth — what are they going to redistribute? And how much?

(2) Social workers are brought face to face with the fact that money for social services must come mainly from the same low income group they are trying to benefit, because 90% of all personal income in the U. S. A. is in the hands of people whose incomes before taxes are $5,000 a year or less—the excess earnings of the rich and well-to-do are negligible as sources of funds for an over-all social security program.

(3) The "soak-the-rich" demagogue, in high places and low, loses his stock in trade.

(4) The economic basis of Marxian Socialism turns out to be a mirage.

The key to progress is not found in the redistribution of money—nor in the increase of money—but in making a day's wages buy more through the elimination of waste, especially the waste of manpower. It is difficult to draw a straight line between producers and non-producers, but there is no doubt that "overhead" percentages in our national life are too high. We need some new criteria of utility.

"*Statistics for Income for 1939"

†Single $1,000, married $2,500.

Sprague Electric Stock Offered by F. S. Moseley

Public offering of 130,000 shares of common stock, at a price of $15.50 per share was made March 22, by a banking group headed by F. S. Moseley & Co., and including Paine, Webber, Jackson & Curtis; Paul H. Davis & Co.; Kidder, Peabody & Co.; R. W. Pressprich & Co.; Reynolds & Co. and Mackubin, Legg & Co.

Of the shares currently offered 50,000 represent new financing by the company and 80,000 shares are for the account of present shareholders.

Proceeds of the shares sold by the company will be used, in part, to provide funds for the retirement of all the presently outstanding preferred stock so that capitalization will consist of $1,000,000 of 3¾% debentures due Oct. 1, 1954, and 446,525 outstanding shares of common stock.

This announcement appears as a matter of record only and is under no circumstances to be construed as, an offering of these securities for sale or as a solicitation of an offer to buy any of such securities. The offering is made only by the Prospectus.

NEW ISSUE

150,000 Shares

Aireon Manufacturing Corporation

60¢ Cumulative Convertible Preferred Stock

(Par Value $10.00 per Share)

Price $11.375 per Share

Copies of the Prospectus may be obtained in any State from only such dealers participating in this issue as may legally offer these securities under the securities laws of such State.

Reynolds & Co.

March 23, 1945

Cartels Imperil Economic Progress

(Continued from page 1382)

any more than a nation can survive "half free and half slave." Once we start to regiment through allocations, price fixing and production controls our activities in the foreign field, we, of necessity, will have forced upon us by the Government, restrictive measures upon operations falling wholly within the domestic field.

False Arguments for Cartels

Turning to the arguments advanced in behalf of the negotiations of these super-state cartels we find the contention that cartels are a necessary device to safeguard industry and invested capital against unfair and destructitve competition and the wastes which result from wide fluctuations in industrial activity—that they serve to permit the orderly development of industries and stabilize prices.

Now all of that argument begs the question of what is best for the general welfare. Like the League of Nation's definition that: "Cartels are associations of independent undertakings in the same or similar branches of industry established with a view to improving conditions of production and sales", it fails to state to whom the benefit or improvement accrues. The answer is obvious, since the primary purpose of cartels is to restrict competition. Competition, bringing better products at lower prices, benefits the consuming public. So whatever restricts competition in the long run harms the public welfare. Price stabilization usually means the establishment of a rigidity designed to protect high cost and marginal producers. It destroys incentives for low cost policies. Thus, cartels operate against the smaller or relatively newer enterprises which, through increased efficiency, are challenging the position of larger and older enterprises when the latter have become water-logged through plant obsolescence and inefficiency.

Professor Anton de Haas of the Harvard Business School in a recent defense of cartels distributed ironically, by an organization calling itself "American Enterprise Association", cities all of these justifications for cartels. He also attributes to the cartel the virtue of providing "equality of opportunity." This phrase contradicts itself. Since all men differ in talent, initiative and industry, creation of "equality of opportunity" would shut the door of opportunity for the efficient, and drag them down to the level of the inefficient.

Much written in defense of cartels makes little sense to me. We find, for instance, Milo Perkins, former Executive Director of the Economic Warfare Board, concluding a recent magazine article with the assertion that: "Where we cannot eliminate cartels, we must gradually perfect ways to make them into instruments which serve the public interest." But at the beginning of the article, emphasized by italic type, Mr. Perkins states: "All cartels are in business to keep prices at levels which could not be held if free competition existed." In other words, Mr. Perkins in one breatth asserts cartels are devices for rooking the public, and in the next breath that such devices can be made to serve the public interest.

Another group asserts that although in normal times cartels may be undesirable, they are necessary devices for short terms in periods of depression to prevent the too precipitious drop in price levels, which have disastrous consequences. I suppose that here and there a showing of facts could be made to sustain that conclusion. But it also could be demonstrated that the operation of cartels creates depressions and prolongs them. The danger in resorting to cartels during emergencies is that the cartel survives after the real emergency has passed.

Aside from all of that, however, it is significant this argument is put forth at this time by the cartel advocates. This country does not face a post-war depression. This approach to post-war problems is illustrative of the defeatist attitude marking the economic thinking in Washington during the last 12 years. Too much Washington planning is being done under the shadows of the past. These planners should approach the problem in a venturesome spirit determined to seize upon the great opportunity presented for a dynamic expanding economy, the only hope for the restoration of full employment in this country.

Cartels and Peace

Some argue that American participation in super-state cartels is necessary to assure lasting peace. I remind them it was cartels, subsidies, unduly high tariffs, bartering and governments trading with other governments, which generated so much of the economic friction preceding this war. The cartel idea had its origin in Germany. When Adolf Hitler seized power he found in the cartel system a completely forged weapon for his program of rearmament and war.

This peace argument is based upon a corollary contention that they are necessary to expand world trade. Actually cartels operate to contract world trade. At best, they might serve to transfer markets from one nation to another without increasing the total of world trade. But if the ills of the world are to be healed through international trade, then the volume of international trade must be expanded. New consumer markets must be created and this can be done only through the production of better goods for sale at lower prices.

A healthy foreign trade is essential to our well-being as well as that of the rest of the world. Our Government should be vigilant in opening and preserving trade opportunities abroad for American business and every effort, compatible with our national interest, should be made to expand world trade. Our volume of world trade, proportionately small as it has been, is of great importance to our economic life, particularly to those industries largely dependent upon export business. But this foreign trade is not worth the price, if that price is abandonment of our competitive enterprise system and placing our domestic economy in a totalitarian strait-jacket.

Cartels Not Inevitable

Finally we hear it said our participation in super-state cartels is inevitable. This argument goes that most of the world has embraced cartels and there is nothing that we can do about it. Thus, we are urged to climb abroad the cartel bandwagon, even though it means the destruction of a system at home which has given our people the highest standard of living ever achieved anywhere at any time upon this earth.

As Friedrich Hayek wrote in his excellent book, "The Road to Serfdom", nothing in social evolution is inevitable unless thinking makes it so. Who can be certain that other nations will remain wedded to the cartel system? Events in Europe have not progressed far enough to indicate definitely the political and economic desires of the people upon the European continent. Nor are the English united in support of cartels. Only last week Prime Minister Winston Churchill called upon the Conservative Party to make private enterprise versue collectivization, and liberty versus controls, the issues of the forthcoming election. The London Economist weekly thunders that cartels and other forms of collectivism are will o' the wisps leading Britain to disaster.

Assume that we must live in a world which outside our borders is wedded to the cartel system. Then we should use our great economic power to give world leadership and direction toward a more universal adoption of the competitive enterprise system. For instance, when the war in Europe ends, there will be billions of dollars of Lend-Lease materials that can be converted to peaceful industrial use—perhaps as much as thirty billions worth. In disposing of that surplus material in the countries in which it is stored, let us attach a condition that none of it may be sold or given to any enterprise that is a party to any cartel arrangement. There have been suggestions in Congress that the surplus war material in this country should not be sold to monopolistic enterprises. There is no reason for any less exclusive requirement for the disposal of surplus materials abroad.

Again, why should not Congress enact legislation making it unlawful for America to lend money to foreign enterprises participating in cartel arrangements. Such action would apply to foreign loans the prudence and common sense exercised at home by bankers against lending to enterprises engaged in practices destructive of their markets.

A Suggested Proviso For Bretton Woods

Pending before the Senate are the Bretton Woods Monetary Agreemtns. One of thesse provides for the establishment of the International Bank for Reconstruction and Development with a capital of eight billion eight hundred million dollars, of which this Givernment would be obligated to provide two and three quarters billions of dollars. In ratifying that agreement, why should not the United States Senate attach a reservation providing that no part of this sum may be loaned to any enterprise participating in cartel arrangements. We also could shut out of our rich market foreign monopolists set on discriminating against us and thereby driving us into a totalitarian economy. I am not proposing that any of these things be done. I merely suggest courses of action open to us as protective measures against countries, if any there be, attempting to strong-arm us into cartel arrangements.

In conclusion, I appeal to you gentlement to proclaim on every occasion your faith in our competitive enterprise system; to demonstrate by fact and example the superiority of this system over the programs of the collectivists and totalitarians; to scrutinize with realistic eyes schemes that are abeled "free enterprise", but which might well undermine our competitive enterprise system, ending the best hope we have for economic progress, high levels of employment, and a rising standard of living.

Let us not be beguiled by emotional appeals and glittering promises, but let us give sober reflection to the Wall Street Journal's recent observation that "No people ever entered the compulsory state through a door on which the price of admission was plainly posted." Through the doors of super-state and government-controlled cartels lies the road that leads to Nationalism, Isolationism, Totalitarianism, and finally, to another disastrous war.

Bizerte Being Rebuilt as Modern City

Reconstruction plans for ancient Bizerte, France's most important seaport in the Mediterranean, provide for a new and modern city. The heaps of rubble to which the city had been reduced during the furious battle of Tunis in which the Allies waged such a brilliant campaign, have now been cleared away and rebuilding has begun.

Forty modern houses have already been completed and it is expected that housing accommodations for 10,000 residents will be finished by the end of the year. Building schedules for 1946 should take care of another 25,000.

This work is being rushed as much as possible since the terrible devastation of the Tunisian phase of the war had made most of the city's population homeless and their suffering has been acute: thirty-five thousand people were left without shelter of any kind, and another 10,000 huddled in the comparatively few buildings which were only partially, not completely, wrecked.

The reconstruction program for Bizerte, one of the most ancient cities in Africa, which has been conquered innumerable times through the centuries by the Phoenicians, Vandals, Arabs, Turks, Romans, Spaniards and Barbary pirates, includes an excellent system of transportation and communications. New Moslem quarters will be erected on either side of the narrows and the seaport itself is to be surrounded by a pine forest.

W. R. Bull Co. to Be Smith, Ramsay & Co.

BRIDGEPORT, CONN.—W. R. Bull & Co., 207 State Street, announce that effective April 2, 1945, the name of their company will be changed to Smith, Ramsay & Co., Inc. This represents no change in management, policy or personnel.

Directors who have been with the company an average of 22 years are William R. Bull, Joseph E. Miller, DeWitt C. Ramsay, Andrew R. Smith, Ralph L. Talbot and Thomas H. Trelease.

Branch offices of the firm are located in New Haven and Shelton.

This announcement appears as a matter of record only and is under no circumstances to be construed as an offering of these Bonds for sale or as a solicitation of an offer to buy any of such Bonds. The offering is made only by the Prospectus.

NEW ISSUE

$24,000,000

Wheeling Steel Corporation

First Mortgage Sinking Fund 3¼% Bonds, Series C

Dated March 1, 1945 Due March 1, 1970

Offering price 103% and accrued interest

Copies of the Prospectus may be obtained in any State from only such dealers participating in this issue as may legally offer these Bonds under the securities laws of such State.

Kuhn, Loeb & Co.

Lee Higginson Corporation **Harriman Ripley & Co.** Incorporated

Blyth & Co., Inc. **The First Boston Corporation** **Goldman, Sachs & Co.**

Lazard Freres & Co. **Mellon Securities Corporation** **Smith, Barney & Co.**

Drexel & Co. **Hornblower & Weeks** **Kidder, Peabody & Co.**

F. S. Moseley & Co. **Paine, Webber, Jackson & Curtis**

Stone & Webster and Blodget Incorporated **Union Securities Corporation**

New York, March 27, 1945.

THE LORD-ABBETT GROUP
OF INVESTING COMPANIES

Union Preferred
Stock Fund

Prospectus upon request

LORD, ABBETT & CO.
INCORPORATED
NEW YORK · CHICAGO · ATLANTA · LOS ANGELES

Mutual Funds

Formula Plan Investing

As a result of the publicity given to successful formula plans in operation by leading college endowment funds, much favorable attention has been drawn to formula plan investing in recent years. **Keystone Corp.**, so far as we know, is the first among investment company sponsors to suggest the use of this principle in the purchase of mutual investment funds.

Keystone Corp. has published a folder describing formula plan investing which sets up in detail the procedure to follow in operating a "Seven Step Formula Plan." With the folder is provided a worksheet for periodic rebalancing of the account. An Investment Time Table is also provided which shows the respective points on the Dow-Jones Industrial Average where portfolio shifts are to be made. The 10 **Keystone Custodian Funds,** with their range all the way from good grade bonds to speculative common stocks, would appear to provide an excellent medium for use in the operation of formula plans.

Selected American Shares

Selected Investments Co., in a new folder, "Outstanding Facts About Selected American Shares," states:

"Those who—
Anticipate Peace-Time Prosperity
Desire to Hedge Against Inflation
Seek Time-Tested Investment Advantages
—should find these shares admirably suited to their requirements."

The folder depicts how **Selected American Shares** meets today's requirements by listing the advantages of this type of investment and devoting short descriptive paragraphs to each important factor.

"In summary—For those investors who seek income, profit opportunities and an inflation hedge through stocks Selected American Shares, Inc., affords one of the most sensible, convenient, and generally satisfactory methods available."

Equal Opportunity

"There has until recent years been an important difference between the positions of small and large investors which is not measured by the amount of their respective resources alone. That difference is the degree of management which each as a general class has given to its ownership of securities."

Thus writes **Lord, Abbett** in the current issue of **Abstracts** and goes on to point out that today small investors, through the use of mutual investment companies, can enjoy the same advantages which large investors have always enjoyed.

Portrait of an Opportunity

In a new issue of "Railroad News," **Distributors Group** reprints a chart from the Cleveland Trust Co.'s Business Bulletin showing the long-term trend of railroad stock and bond prices.

The chart shows that the old relationships between railroad stock and bond prices no longer exist. Whereas railroad credit has now been largely reestablished and is reflected in the prices of railroad bonds, railroad stocks are still selling far below their former so-called "normal" levels.

"It is probably true of the railroads in general," comments the Cleveland Trust Co., "that prices of stocks have not yet adequately reflected the improved earning power that will result from the reductions in fixed charges."

Securities vs. Mortgages

In answer to a number of queries, **Vance, Sanders** points out in a recent issue of **Brevits** that the mortgage holdings of leading colleges and foundations represent only a small proportion of their total investment funds. As last reported, 14 leading colleges and foundations had a total of only $14,746,470 invested in mortgages, as compared with $852,865,746 invested in stocks and bonds.

Investors Mutual, Inc.

E. E. Crabb, Chairman of the Board and President of **Investors Mutual, Inc.**, as well as of **Investors Syndicate**, principal underwriter and distributor of the former company, announced that total gross assets of Investors Mutual as of March 17, 1945, were $53,852,010.

3.06% Net After Taxes

In a revised folder on **Institutional Bond Shares, Distributors Group** tells how corporations can realize a net return after taxes of 3.06% from "legal list" bonds.

"Compare this return," writes the sponsor, "with a net of only ½ of 1%, after excessive profits taxes, from medium-grade bonds or a return of less than 2% from tax-exempt municipals."

Investment Results

"What kind of investment results do you want?" asks **Keystone Corp.** in the current issue of **Keynotes.** The 10 **Keystone Custodian Funds** are listed in reference to their investment characteristics and what objectives they are designed to follow.

* * *

Mutual Fund Literature

Selected Investments Co.—Memorandum re **Selected American Shares** for trust investment; current issues of "Selections" and "These Things Seemed Important." . . . **Hugh W. Long & Co.**—Revised prospectus on **Manhattan Bond Fund** dated March 15, 1945. . . . **Calvin Bullock**—Current issue of **Perspective** analyzing "Meat Industry During and After the War." . . . **Hare's Ltd.**—A new folder and a "Current Considerations" memorandum on fire insurance stocks.

* * *

Dividends

Affiliated Fund—A quarterly dividend of 3¢ per share, payable April 20, 1945, to stock of record April 10.

American Foreign Investing Corp.—A dividend of 25¢ a share payable March 29, 1945, to stock of record March 21.

General Investors Trust—A quarterly dividend of 6¢ per share payable April 20, 1945, to shareholders of record March 31.

Investors Mutual, Inc.—A quarterly dividend of 10¢ a share payable April 16, 1945, to shareholders of record March 31.

Massachusetts Investors Trust—A quarterly dividend of 21¢ a share payable April 20, 1945, to shareholders of record March 29.

Steel Shares

A Class of
Group Securities, Inc.

Prospectus on Request

DISTRIBUTORS
GROUP, INCORPORATED
63 WALL ST. · NEW YORK 5, N. Y

NATIONAL
SECURITIES SERIES

Prospectuses upon request
National Securities &
Research Corporation
120 BROADWAY, NEW YORK, (5)
LOS ANGELES, 634 S. Spring St., (14)
BOSTON, 10 Post Office Square (9)
CHICAGO, 208 So. La Salle St. (4)

Shares of Capital Stock of

INCORPORATED
INVESTORS

Prospectus of Incorporated
Investors may be obtained
from investment dealers or

THE PARKER CORPORATION
ONE COURT STREET
BOSTON, MASSACHUSETTS

Keystone
Custodian
Funds

★

Prospectus may be obtained
from your local investment dealer or

The Keystone Corporation
of Boston
50 Congress Street, Boston 9, Mass.

Federal Reserve and Bretton Woods Proposals

(Continued from page 1370)

breakdowns and that some new system of centralized resources was needed.

The banks in our country before the Federal Reserve Act was enacted were pretty much dependent on their own ability to survive a panic—especially as the panic hit the money centers where reserves from all over the country accumulated through correspondent bank relationships. In a crisis it was each bank for itself. Banks withdrew their funds from one another and, further than that, they began to call loans for payment—adopted a liquidation policy—at the very time when a policy of confidence was needed to weather the economic storm. The Federal Reserve gave such confidence by making credit available to the banks and this power, after the experience of 1929 to 1932, was expanded by the Banking Act of 1935. The Federal Reserve Act is not perfect even now—after many years of experience and many amendments—but that the System is helpful to our economy, no informed person will deny.

Under the gold standard each country was pretty much dependent on its own ability to survive periods of difficulties. Individual countries adopted restrictive and deflationary measures in an attempt to weather their own crises. Such measures reduced other countries' sales abroad and aggravated the difficulties of other countries. The Bretton Woods Agreements aim to give confidence to individual countries by making assistance available to meet difficulties when they occur.

Both the Federal Reserve and the Bretton Woods Agreements marked the culmination of years of preparation. Intensive inquiry followed the panic of 1907. Important milestones on the long road were the Pujo Investigation, the work of the National Monetary Commission, and extensive hearings before the Senate and the House committees on banking and currency—the latter newly organized for the purpose. In addition, there were countless conversations, discussions, conferences, books, pamphlets and articles. Out of all these emerged the original Federal Reserve Act.

Similarly, the idea of the Bretton Woods Agreements is more than three years old. Sufficient preliminary work had been done to permit private circulation of a very rough draft of the Fund proposal about three years ago. In April of 1943, a proposal for an International Stabilization Fund was published by the United States Treasury and a proposal for an International Clearing Union was published by the British. Both documents were offered to the public with the hope that all interested parties would contribute to the solution of the problems with which the proposals were concerned. Criticisms and suggestions were reflected in a revised draft of the Fund published in August, 1943. November of that year saw the first published version of the plan for an international bank. Conferences, including many with foreign experts and representatives, were held. As a result of the wide area of agreement that was found to exist, a joint Statement of Experts of many nations was issued in April, 1944. Discussions culminated in a preliminary meeting in Atlantic City and finally in the three-week conference of representatives of 44 nations at Bretton Woods in July, 1944.

The Federal Reserve System has been intimately associated with the Bretton Woods proposals virtually from the beginning. Experts of the Board's staff have conferred with experts from the Treasury and other Governmental departments and have also participated in discussions with foreign representatives. Technicians of a number of Reserve Banks joined them in the meetings at Atlantic City and Bretton Woods. The Chairman of our Board was a delegate to the Bretton Woods Conference.

The Bretton Woods proposals have repeated the history of the Federal Reserve in another respect. Although there has been all but universal agreement on objectives, there has not been universal agreement on a method of achieving the objectives. Opponents of the Reserve Act in 1913 argued that we should establish a single central banking institution. They also asserted that control should be by bankers, as experienced lenders, rather than by the public, which includes borrowers as well (industry, commerce and agriculture). It was also argued that the proposed system was too complex to be understood or to be operated efficiently. Similar arguments over control and procedure have been leveled against the Bretton Woods Agreements. It is argued that the Fund is complex and that it will be controlled by borrowers (debtor countries) who will dissipate its resources.

It has also been argued that the directives of the Fund Agreement are too broad and vague to be of much significance. For instance, the term, "fundamental disequilibrium," is not precisely defined in the Agreement. But we have learned from our Federal Reserve experience that it is a mistake to make the basic terms of the law too detailed and restrictive. The history of the Federal Reserve Act has reflected the necessity of broadening its terms. It is only under general directives that effective operations and procedures can be evolved to deal with changing conditions. The place for precise definition is in administrative regulations and rulings, not in the basic law.

We should view the Bretton Woods proposals not as a perfect document but as an honest, intelligent, cooperative effort to deal with certain developments that may arise. We should remember also that even our Constitution required subsequent amendments as a result of experience. The same has been true of the Federal Reserve Act. It will be true of the Bretton Woods Agreements. These agreements should be viewed in the spirit expressed by Woodrow Wilson in his first inaugural address:

> "We shall deal with our economic system as it is and as it may be modified, not as it might be if we had a clean sheet of paper to write upon; and step by step, we shall make it what it should be."

The Bretton Woods Agreements are an attempt at international collaboration designed to help achieve monetary stability and extension of productive credit. They provide two international institutions to accomplish these objectives: an International Monetary Fund to promote currency stability and multilateral payments and an International Bank for Reconstruction and Development to facilitate productive international loans.

Since the Bank proposal represents no great deviation from traditional lending principles and practices, it is considered comparatively simple and has received widespread support and approval. The Bank would make or guarantee at reasonable rates specific loans for productive purposes which the private market would be unwilling to make without a guarantee. Since the benefits of such loans for reconstruction and development would be worldwide, the Bank would distribute any losses among its members in proportion to their stock ownership.

The International Monetary Fund would break new ground and this is the very reason why it is considered complicated. A good bit of complexity arises from the desire to prevent abuse of this institution which would operate in a new field. The basic principles of the Fund are not difficult to understand. The Fund establishes "rules of the game" which are designed to promote interchangeability among member currencies at stable rates so that the international flow of goods may be kept at a high level. These rules are designed to achieve stability such as once was provided by the gold standard and yet avoid the rigidities that led to periodic collapse of that standard. Each member would undertake to maintain the parity of its currency so long as underlying conditions made it possible, but when a fundamental disequilibrium developed it would be permitted to make an appropriate change. The Fund Agreement recognizes that the undertaking of members to abide by the "rules of the game" would be difficult unless some means were provided to enable them to meet temporary adverse balances in their accounts with other countries. To meet this need, each member would contribute to the Fund an amount of gold and domestic currency equal to its quota and would receive in return a conditional right of access to the Fund for limited amounts of foreign exchange. Although fear has been expressed in some quarters that the resources of the Fund would be dissipated, adequate controls, both automatic and discretionary, are included in the Agreement to prevent unwise use of the Fund's resources.

The Federal Reserve is necessarily interested in both the technical and the policy aspects of the Bretton Woods Agreements. The technical aspects, though important, need be mentioned only briefly. Both the Fund and the Bank, whose head offices would be in this country, would receive and make payments. They would possess valuable assets such as gold and securities that must be kept safe. There will be a multitude of transactions to be handled and recorded. It is difficult to imagine all the household details connected with the fiscal agency and depositary functions of the Fund and the Bank but they are many and varied and require the special and technical skill of trained and experienced executives. In the United States they would be handled by the Federal Reserve Banks under the supervison and drection of our Board of Governors.

But the Federal Reserve has a much more fundamental interest in the operation of the proposed institutions. Broadly stated, the goal of the Federal Reserve is to help maintain through monetary and credit action a high level of production and employment. The monetary and credit structure of this country, however, is continually affected by international transactions. The Fund and the Bank would work toward a high and stable level of world trade and would therefore help attain our goal.

The disruptive practices that attended the reduction of world trade by about one-half between 1929 and 1934 and the periodic flights of "hot money" in the period between the wars contributed greatly to our difficulties and aggravated the montary and credit problems of the Federal Reserve System. Through achieving a better international balance, the Fund will help prevent a recurrence of the great gold inflows of the 1930's with their attendant problems for the Federal Reserve System.

Precisely how the Fund's operations will affect our monetary reserves depends on several factors. One of these is the form of the initial subscription.

The effect of the initial subscription depends on the source of the funds. The total subscription quota of the United States amounts to $2,750 million, one-quarter of which must be paid in gold. The enabling legislation now before Congress proposes that ultimately we should pay $1,800 million of the subscription from our Stabilization Fund and the remaining $900 million by Treasury borrowing in the market. At the outset, however, the Fund Agreement permits members to deposit non-interest-bearing demand notes in place of that portion of their currency which is not needed by the Fund in current operations. The initial payment of our subscription, out of the $1,800 million in our Stabilization Fund and by means of the special Treasury notes will not affect our money market, since funds will be neither withdrawn from nor transferred to the market.

If other members use the funds they own here to pay for the gold portion of their subscription, they might affect our market. There would be no effect, of course, if they simply utilized gold held here under earmark since that has already been removed from our gold stock. Use of any deposits they might have at the Federal Reserve Banks would result in a reduction in the gold reserves of the Reserve Banks, but would have no direct effect on our money market. To the extent that they draw funds from our money market, however — either directly through drafts on deposits at commercial banks, or indirectly, as through sales of United States Government securities they own —their gold subscriptions would have the same effect as an export of gold through commercial channels.

Such operations might call for Federal Reserve action in the open market or elsewhere in order to prevent disturbances in the credit situation.

More interesting are the possible effects of the Fund's activities as a going concern. Over the long run, of course, it is hoped that the Fund's holdings of member currencies would maintain relative stability and there are numerous automatic and discretionary controls in the Fund to achieve this result. But there would certainly be substantial use of the Fund's dollars from time to time.

When other members in their current transactions pay the United States with dollars acquired from the Fund, the effect is to increase our money supply. The Fund may acquire the dollars from our initial currency subscription or sales of gold to us, or, to mention a somewhat remote possibility, by borrowing. To borrow in this country, the Fund will need our Government's consent.

Use of our initial currency subscription, to the extent that it would be provided from the $1.8 billion in our Stabilization Fund, would increase the supply of money in our market. To the extent that it was provided by the Treasury borrowing from the market, no net effect would be produced since the Fund would, through its members, return the money to the market. Similarly, provision of dollars through the Fund's borrowing in our market would have no net effect. Acquisition of dollars through sales of gold would have the same effect on our money market as an import of gold.

The effects of operations of the International Bank in our money market would be less complicated than those of the Fund and would in general leave the money supply and member bank reserves unaffected. They would, however, influence the capital market and the course of the business cycle.

To use American resources the Bank would need to have the consent of this country; and before consent was granted, presumably full consideration would be given by the monetary authorities to the effect of the proposed borrowing on the credit situation in the United States.

This analysis should make clear the great interest of the Federal Reserve in the plans, policies, and operations of the proposed institutions. If the Fund and the Bank achieve their objectives the Federal Reserve authorities will be greatly assisted in their tasks. The Federal Reserve System will not only be deeply concerned with the proper administration and success of the Fund and the Bank but it will be immediately affected in many ways by their technical operations. It must be fully informed with regard to such operations and the Federal Reserve authorities must be in position to present their considered views to the United States Governors and Executive Directors of these two institutions in sufficient time.

From our Board's point of view, the establishment of the Fund and the Bank is highly desirable because they would contribute to world recovery and to the maintenance of economic stability at a high level, which is the main objective of our System's policy.

In another address made by Mr. Szymczak on the same day before the Illinois Manufacturers Association at Chicago, in addition to describing the international conditions which renders need for the Bretton Woods Proposals, he admitted the difficulties that would be encountered in enforcing the provisions for exchange stability imposed on member countries by the International Monetary Fund.

"Under the Fund agreement," he stated, "members undertake to abandon such bilateral clearing arrangements and discriminatory currency practices as give exporters special premiums if they ship goods to countries the currencies of which are particularly desired. This commitment applies to the abandonment of restrictions on foreign exchange transactions on current account, that is, those arising out of shipments of goods, tourists' expenditures, immigrant remittances, and the rendering of services. Members are permitted to control capital transactions such as money sent for deposit in foreign banks or for use in stock market operations. Real investment can be encouraged and the speculative movement of funds limited; this will contribute substantially to international monetary stability.

"It is not expected, of course, that the whole body of regulations over foreign exchange transactions shall be done away with at once. Only confusion would result. The patient is very sick, and recovery, at best, can be only gradual. On the other hand, unless a concerted effort is made as soon as possible to eliminate such partices, there is grave danger that many countries will fall back on them to balance their international transactions after this war. They must have an alternative which will make such action unnecessary.

"However earnestly the member countries may desire to live up to their agreements as far as exchange rates and exchange restrictions are concerned, it will not be easy for them to do so. To help them, a Fund of almost $9 billion is to be established, made up of gold and the currencies of all the countries which are members. This Fund will be used to assist member countries faced with temporary balance of payment difficulties such as might follow a bad crop or a loss of a market for a short period. Should the deficit prove to be more than temporary, the Fund will continue to give the member assistance only if it takes adequate steps to correct the situation."

And he remarked also that "the discretionary controls are even more important than the automatic controls. The Fund can postpone the beginning of its exchange operations until it is satisfied that most members are in sufficiently stable condition to warrant use of the Fund's resources. Furthermore, once it has commenced general exchange operations it can postpone transactions with any individual country which is not in a position to make appropriate use of the Fund's assistance.

"Once the Fund has begun operations with any member, however, that member can proceed with the assurance that it can come to the Fund and receive help in meeting payments due for foreign goods and services without delay. This feature of the Fund proposal lies at the very core of the whole agreement. It assures availability of exchange. Since members can confidently expect assistance from the Fund, they will be able to undertake to maintain stable exchange rates and to eliminate restrictions on foreign exchange transactions. In many cases the fact that assistance is forthcoming without delay will prevent temporary disturbances from having serious repercussions on the international position of other countries. If a drop in any single country's exports leads to defensive deflationary measures and restrictions on imports, that country's exchange difficulties will spread to other countries and a vicious circle of restrictions on trade and deflation will ensue.

"Should the difficulties of a member country prove to be more than temporary, the Fund has a very important discretionary power to ensure that the country does take advantage of the time during which it is drawing on the Fund to put its house in order and correct its position. The Fund can stop a member from drawing on the Fund if it is not using its resources in accordance with the purposes of the Fund. The purposes as stated in the agreement make it quite clear that the Fund is to be used to help countries meet temporary deficits and to give them time to correct more deep-seated maladjustments.

"It is evident to me that the period during which the Fund and the Bank are needed most is the immediate post-war period before individual countries begin to impose new and additional restrictions on foreign exchange and foreign trade. Prompt establishment of the Fund and the Bank would also give member countries confidence which they must have to place their economic houses in order with the least possible delay."

This advertisement appears as a matter of record only and is under no circumstances to be construed as an offering of these securities for sale, or as a solicitation of an offer to buy any of such securities. The offering is made only by the Prospectus.

75,000 Shares

The Flintkote Company

$4 Cumulative Preferred Stock

(Without par value)

Price $107 per Share

(plus accrued dividends from March 15, 1945 to date of delivery)

Copies of the Prospectus may be obtained in any State from such of the several Underwriters, including the undersigned, as may lawfully offer the securities in such State.

LEHMAN BROTHERS

March 29, 1945.

Municipal News & Notes

Outmoded laws in many of the States may prove a handicap to post-war construction of public works projects, Major General Philip B. Fleming, Administrator of the Federal Works Agency, warned in an address yesterday in New York City before a meeting of the Municipal Forum, an organization of New York investment bankers. (Luncheon meeting at Oscar's Old Delmonico Restaurant, William and Beaver Streets.)

Drawing upon his experiences as the first Executive Officer, and later Deputy Administrator of the Public Works Administration, General Fleming said it had been necessary to obtain special legislation in many of the States before needed public works projects could be built. Many of the progressive public works laws enacted at that time have since expired by their own limitations, he added, so that to a certain extent "we are now back in the dark ages of public works law."

Counties in many of the States lack legal authority even to build such essential projects as general hospitals, General Fleming said. Almost every project requires a special enabling act with the result that public works law today represents "an encrustation of patch-work statutes, most of which were enacted to meet emergency situations rather than to provide for general and continuing needs."

"Whether our public works laws in general are good or bad is not for me to say," General Fleming continued. "Perhaps they are both good and bad, depending upon the point of view. From the standpoint of the taxpayer who would rather get his water from the backyard pump than to be assessed for the cost of a municipal water system, they are excellent. They give him some assurance that his officials will not waste his substance in any off-hand, ill-considered enterprise. From the standpoint of the public official who is trying to meet a community need, and from the standpoint of the engineer, the architect, the contractor, and the investor in municipal securities they often raise up formidable barriers."

Texarkana, Texas, Bond Exchange Offer Withdrawn

Announcement has been made of the withdrawal of the exchange offer proferred to holders of $1,441,000 3½%, 3¾% and 4% bonds dated May 1, 1940, and callable May 1, 1945. The offer to exchange the bonds for certain other refunding obligations of the city was made in the city's behalf, in November, 1944, by a group composed of Stifel, Nicolaus & Co., Inc., E. Kelly Brown Investment Co., Russ & Co., Rittenoure Investment Co. and McRoberts, Graham & Co.

Wire Bids on
VIRGINIA—WEST VIRGINIA
NORTH and SOUTH
CAROLINA
MUNICIPAL BONDS
F. W.
CRAIGIE & CO.
RICHMOND, VIRGINIA
Bell System Teletype: RH 83 & 84
Telephone 3-9137

All of the above-mentioned $1,441,000 bonds have been called for redemption on May 1, 1945, and may be presented for payment at either the Chase National Bank of New York, or at the American National Bank, Austin.

$3,335,000 High Point, N. C., Refundings on Market

A syndicate headed by Campbell, Phelps & Co., New York, yesterday made public offering of a new issue of $3,335,000 High Point, N. C., various coupon refunding bonds, maturing on April 1 from 1946 to 1966 inclusive.

The bonds are priced to yield from 0.50% to 1.50% for the 1946 to 1956 maturities and at a dollar price of 99.50 to 97.50 for the 1957 to 1966 maturities. Bonds due after 1950 are callable April 1, 1950, or thereafter, in whole or in part, in inverse numerical order, at prices running from 103 down to par.

The underwriting group purchased the issue via competitive bidding on March 27 and, in addition to Campbell, Phelps & Co., the group includes Commerce Union Bank, Allen & Co., Fox, Reusch & Co., Scott, Horner & Mason, Inc., Tripp & Co. Inc., Crouse, Bennett, Smith & Co., J. M. Dain & Co., First Securities Corp., Kalman & Co. Inc., Lyons & Shafto, Inc., McDougal & Condon, Inc., Harvey Fisk & Sons, Inc., Peoples National Bank of Charlottesville, Pohl & Co., Inc., Ryan, Sutherland & Co., McDonald-Moore & Co., Vance Securities Corp., and Bioren & Co.

Local Finance Picture Excellent in 1944

The municipal finance picture for the last year shows continued reduction of debt, excellent tax collections, capital improvements at a standstill, steady accumulation of reserves to finance public improvement programs after the war.

Despite these favorable trends, municipalities generally during the year devoted considerable thought to new sources of revenue to ease the strain on the local property tax, the Municipal Finance Officers Association reports.

In this connection, the association pointed out that collection of taxes delinquent since 1929 still is an important issue and the chief problem in hundreds of municipalities, and that the many communities supplementing current tax levies with back taxes for the last six or seven years now face the necessity of living on current taxes only.

Some of the cities received revenues from new sources during the year, however. California and Washington communities, for example, received substantial amounts of new revenue from admission taxes, while Missouri localities report success with occupational licenses based on gross income instead of flat sum. Alabama and Virginia cities received shares of profits from the state liquor store monopoly.

Cost of municipal borrowing reached a new low in 1944, with the Bond Buyer's Index for Aug. 1 and Sept. 1, standing at 1.59%, compared with 1.77% on Jan.1. Previously, the lowest yield recorded by this index, which is based on 20 bonds, was on Nov. 1, 1943, when it stood at 1.69.

The association noted more debt-free cities in the country "than most people realize." Milwaukee has a fund sufficient to offset bonded indebtedness; Lansing and Kalamazoo are debt-free, as are hundreds of smaller communities, including more than 80 towns of the 312 in Massachusetts. Minnesota added to its list of debt-free communities during 1944 the cities of Ada, Red Lake Falls, Pelican Rapids, Red Wing, St. Charles, International Falls and Lewisville.

Municipalities continued to establish financial reserves for use when men and materials are again available, the association said. The Bureau of the Census survey for the Federal Works Agency, however, disclosed a comparatively small volume of work for which plans are completed and funds on hand or arranged for.

According to this survey 600 governmental units have completed plans for 6,559 projects at total cost of $969,858,000, though funds on hand or arranged for total only $304,680,000. In addition, around $1,000,000 was on hand or arranged for projects where plans have not been completed.

Upward adjustments of salaries and wages continued, the association said, adding that 1945 probably will see further increases in public salaries because they tend to lag and because they can be adjusted only at a slow pace because state and local legislative changes are frequently needed.

Frankfort, Ky., Utility Bonds to Be Redeemed in July

The Frankfort, Ky., Electric and Water Plant Board recently ordered acquisition of $40,000 in short-term Federal securities as a means of utilizing utility funds accumulating in the bond retirement fund. The Federals will mature shortly before the next optional date of the utility bonds in July and a total of $75,000 will be available in the retirement fund at that time, according to Leslie W. Morris, Chairman of the board.

The city, according to report, has been unsuccessful in attempts to purchase bonds in the open market.

Triborough Bridge Calls Original Debt Issues

Triborough Bridge Authority has called for redemption on April 27, 1945, all of its 2¾% serial revenue bonds, due Feb. 1, 1946, through 1952; all of its 3% serial revenue bonds, due Feb. 1, 1953, through 1975, and all of its 3¼% sinking fund revenue bonds, due Feb. 1, 1980, at 104½ and accrued interest.

Immediate payment will be made on the serial revenue bonds at the principal office of Central Hanover Bank and Trust Company, paying agent, and on the sinking fund revenue bonds at the principal office of the Maine-Midland Trust Company of New York.

$12,000,000 Port Authority Issue Quickly Distributed

The phrase, "now you see it, now you don't," aptly describes the rapidity that characterized the movement into investment portfolios of the new issue of $12,000,000 Port of New York Authority refunding bonds awarded yesterday to a syndicate headed by Blyth & Co., Inc., on a bid of 99.15 for 1½s. The group immediately reoffered the bonds, which mature April 1, 1985, at a price of par.

Because of the great investment demand that developed for the bonds, the matter of distribution was simply one of allotment, with the result that the entire issue had been disposed of within a brief period after the terms of offering had been announced.

The extent of investment interest in the offering was previously indicated by the caliber of the competition that prevailed among bidding groups for the issue. Thus while the winning bid of Blyth & Co. and associates figured a net interest cost to the Port Authority of 1.534%, the runner-up offer by the Mellon Securities Corp. account, which was 99.079 for 1½s, was based on a net cost of 1.536%.

While extremely close bidding is not uncommon in the case of municipal offerings, it is not likely that the experience in the Port Authority instance has ever been duplicated. Certainly this would seem to be definitely true as regards any offering of such size as $12,000,000.

New Jersey Tax Structure Revision Urged

The New Jersey State Comission on Taxation of Intangible Personal Property, appointed a year ago by Governor Walter E. Edge to study and report upon the erratic and uncertain taxation of intangible personal property, popularly known as "tax lightning," today (Tuesday) released

New Issue

$12,000,000

The Port of New York Authority

General and Refunding Bonds

Ninth Series, 1½% Due 1985

Dated April 1, 1945 Due April 1, 1985

Not redeemable prior to April 1, 1950

Payments will be made into the Ninth Series Sinking Fund commencing in 1949 at a rate or rates which on a cumulative basis will be sufficient to retire all Ninth Series Bonds by maturity.

MANUFACTURERS TRUST COMPANY, NEW YORK, *Paying Agent*
BANKERS TRUST COMPANY, NEW YORK, *Registrar*

Exempt, in the opinion of General Counsel and Bond Counsel for the Port of New York Authority, from any and all taxation, (except estate, inheritance and gift taxes) now or hereafter imposed by the States of New York or New Jersey.

Legal in the opinion of counsel, for investment in New York and New Jersey for state and municipal officers, banks and savings banks, insurance companies, trustees and other fiduciaries, and eligible for deposit with state or municipal officers or agencies in New York and New Jersey for any purpose for which bonds of such States, respectively, may be deposited.

Price 100% and accrued interest

For information relating to the Port of New York Authority and to these General and Refunding Bonds, reference is made to the Official Statement of The Port of New York Authority (dated March 21, 1945) which should be read prior to any purchase of these Bonds. Copies of such Official Statement may be obtained from only such of the underwriters as are qualified to act as dealers in securities in this State.

Blyth & Co., Inc.

Goldman, Sachs & Co. Stone & Webster and Blodget Incorporated Paine, Webber, Jackson & Curtis
Equitable Securities Corporation L. F. Rothschild & Co. A. G. Becker & Co. Incorporated
Bacon, Stevenson & Co. Chas. E. Weigold & Co. Incorporated Dominick & Dominick
Harris, Hall & Company (Incorporated) R. W. Pressprich & Co. Geo. B. Gibbons & Company Incorporated
Yarnall & Co. Boland, Saffin & Co. Eldredge & Co. Incorporated Baker, Weeks & Harden
R. H. Moulton & Company Incorporated Hannahs, Ballin & Lee Gregory & Son Incorporated
Hayden, Miller and Company C. F. Childs and Company Incorporated

March 29, 1945.

its Report to the Governor and the State Legislature.

If acted upon favorably by the Legislature, the Commission's recommendations will result in the first state-wide tax adjustment affecting New Jersey business generally since the enactment of the state capital stock tax in 1884. Serving on the Commission are Dr. John F. Sly of Princeton University, chairman; Jacob S. Glickenhaus, Essex County Freeholder; Norman F. S. Russell, Burlington County industrialist; W. Paul Stillman, Newark banker; and Senator David Van Alstyne, Jr., of Bergen County.

In its 125-page report submitted to Governor Edge and the State Legislature, the Commission points out that no industrial state has done so little in the past fifty years to bring its tax structure into line with its social, economic and political development as has New Jersey.

The Commission recommends extensive adjustments in the State's tax structure, including abandonment of the present method of taxing intangible personal property, and the adoption of a corporation franchise tax measured by net worth. This franchise tax would replace the present intangible personal property tax and the present capital stock taxes payable by domestic and foreign corporations. It would not apply to partnerships or to any other form of unincorporated business.

Called a "corporation business tax," the proposed tax would be levied at the rate of 8/10 of a mill upon that part of each corporation's net worth up to $100,000,000 which is allocable to New Jersey under either of two formulas proposed by the Commission. Amounts of allocated net worth in excess of $100,000,000, under the Commission's proposal, would be taxed at 4/10 of a mill on the second $100,000,000, 3/10 of a mill on the third $100,000,000, and 2/10 of a mill on all amounts of allocated net worth in excess of $300,000,000. A bill embodying this plan will be introduced in the Assembly.

The Commission's proposals would result in the exemption from local taxation of all intangible personal property, such as stocks, bonds, notes and accounts receivable, held by individual residents as well as by corporations, partnerships and other forms of business enterprise. The Commission estimates that not over $3,000,000 is raised annually by the various municipalities in New Jersey from taxation of the intangible personal property which would be exempted under its proposal. The capital stock taxes, which would be repealed under the Commission's plan, now yield revenues payable to the State amounting to $1,600,000 annually.

The Commission's program would yield state revenues estimated at $6,000,000 to $7,000,000 annually. The Commission proposes that $4,000,000 of this estimated yield be used to reduce the amount of the State School Tax now levied each year upon local property. In effect, this proposal would reduce the present tax burden on New Jersey homeowners and other holders of real estate and tangible personal property by approximately eight points in the local tax rate, on the basis of 1944 rates.

Earle L. Seeger With W. J. Dunn & Company

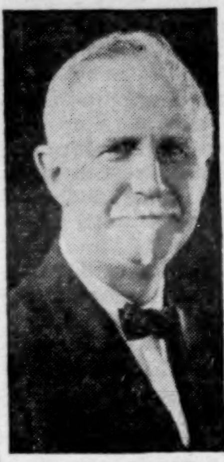
(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, CALIF.—Earle L. Seeger has become associated with W. J. Dunn & Co., 621 South Spring Street, members of the Los Angeles Stock Exchange. Mr. Seeger in the past was with Conrad. Bruce & Co., Paul J. Marache & Co., and was manager of the trading department of J. E. Edgerton & Co., Ltd.

Cost of Living

Babson Forecasts Higher Post-War Living Costs

BABSON PARK, MASS.—It may cost you 20% more to live after the war than it did before Hitler blew the lid off in 1939. In other words, your 1939 dollar may then probably be only 80 cents. Since your pay envelope will probably be thinner than it is now, this is something to worry about!



Roger W. Babson

What Are Living Costs?

Here is what the bespectacled professor means when he warns you that the cost of living is going to zoom: He means that your grocery bill will be bigger than before the war, even though you buy the same amount of food. He means that you will pay $37.50 for an overcoat when you used to pay $30. Your fuel, laundry and ice bills are going to edge higher. That 5¢ candy bar will shrink in size or swell in price to 6¢ or 7¢. The landlord, the furniture dealer, the ticket seller—they will all "put the bite" on your weekly pay envelope for a bigger chew than before Hitler.

After World War I the cost of living reached a peak which was more than 15% above our present abnormally high levels. That established the all-time record for this country. Since there were then none of the controls which the present Government has imposed, cost of the average market basket increased about 130% to its 1920 top. Housewives who were buying food at that time (butter at $1.00 a pound, sugar at 25¢) are not so afraid of post-war prospects as our younger people who have become used to depression prices.

Learning to Economize

As a matter of fact, living costs are at present averaging close to those of 1925-1926, and are only 2% or 3% above 1929. This is high enough to give you consumers plenty of headaches. Today is none too soon to start the wise practice of getting the most for your money. After the war, when prices are still high and total take-home pay is considerably lower, you will benefit from this experience. Selective shopping may then be the only way to maintain living standards for the average family.

For a long time I have preached the doctrine of "bargain" shopping. When the Japs are knocked out this is going to be more important than ever. Right now there isn't much choice of brands on grocers' shelves, but after the war it will be a different story. You should be able to keep your living costs down to a remarkable extent by buying the less widely advertised grades of canned goods, the less popular cuts of meat, day-old bread and cake, etc. They are just as nourishing and palatable as the more expensive foods.

Gauging the Future

Here is my forecast of the pattern of living costs over the years ahead: There is not likely to be any great change until the European conflict is ended. Not long after that happy event, the outlook is for some deflationary pressures on the cost of living. Unemployment and the shifting of full war focus to the Pacific area is bound temporarily to curtail public demand for goods.

Reconversion will begin to take hold shortly thereafter. Combined with the still high Jap war production, civilian output will begin to take up the slack in employment and ease the buying reluctance of the public. By the time the Nipponese yell "Uncle" (or their equivalent for it), the cost of living should be moving gradually upward again.

Danger of Inflation Panic

From then on, the picture depends partly upon whether or not price curbs are maintained. If the controls are thrown out by a Congress weary of wartime restraints, get ready for a real "inflation panic." If curbs are approved, there will still be pressure on the upside, but it will be reasonable. From my studies, both political and economic, I have come to the conclusion that the living-cost runaway of 1920 will not be repeated after this war.

Rather, some system of price controls may go on for several years. I have spoken out in favor of this procedure before. I repeat at this time, that without the OPA or some such agency, we would now be a lot worse off. And we are, in my humble judgment, going to see a continued centralized control of prices from the nation's capital. However, such will not succeed in preventing inflation but will only postpone and soften its evil effects. We will adopt the method of "cutting the dog's tail off an inch at a time."

With Pacific Co. of Calif.

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, CALIF.—**Lloyd H. Diffenderfer** is now connected with **Pacific Company of California**, 623 South Hope Street.

Interest exempt from all present Federal Income Taxes

New Issue

$3,335,000

City of High Point, N. C.

Refunding Bonds

Dated April 1, 1945 **Due April 1, as shown below**

The bonds maturing after April 1, 1950, are subject to redemption on April 1, 1950, or any interest payment date thereafter prior to their respective maturities, at the option of the City, either in whole or in part, in the inverse order of their maturities, at par and accrued interest, plus a premium of 3% if redeemed on or prior to April 1, 1955, 2% if redeemed thereafter and on or prior to April 1, 1960, 1% if redeemed thereafter and on or prior to April 1, 1965, and without premium if redeemed thereafter and before maturity.

These bonds are General Obligations of the City of High Point, payable from unlimited ad valorem taxes levied against all taxable property, and are further secured by a pledge of Electric revenues and by a pledge of monies contributed by Guilford County for school debt service. Such pledges are those set forth in the Resolutions adopted by the City Council on February 22, 1945, and March 5, 1945.

AMOUNT, MATURITIES AND PRICES

Amount	Maturity	Coupon	Yield to Maturity (or price)	Amount	Maturity	Coupon	Yield to Maturity (or price)
$100,000	1946	6%	.50%	$200,000	1957	1½%	99½
100,000	1947	6	.70	200,000	1958	1½	99½
100,000	1948	6	.90	200,000	1959	1½	99
100,000	1949	6	1.00	200,000	1960	1½	99
100,000	1950	6	1.10	200,000	1961	1½	98½
100,000	1951	1½	1.10	200,000	1962	1½	98½
200,000	1952	1½	1.20	175,000	1963	1½	98
200,000	1953	1½	1.30	225,000	1964	1½	98
150,000	1954	1½	1.40	175,000	1965	1½	97½
175,000	1955	1½	1.50	60,000	1966	1½	97½
175,000	1956	1½	1.50				

(Accrued interest to be added)

These bonds are offered when, as and if issued and received by us, and subject to approval of legality by Reed, Hoyt & Washburn, New York City.

Campbell, Phelps & Co.
Incorporated
Commerce Union Bank

Allen & Company **Fox, Reusch & Co.** **Scott, Horner & Mason, Inc.**

Tripp & Co.
Inc.
Crouse, Bennett, Smith & Co. **Harvey Fisk & Sons, Inc.**

First Securities Corporation
Durham, N. C.
Kalman & Company, Inc.

Lyons & Shafto, Inc. **McDougal & Condon, Inc.** **J. M. Dain & Company**

Peoples National Bank
of Charlottesville
Pohl & Company, Inc. **Ryan, Sutherland & Co.**

McDonald-Moore & Co. **Vance Securities Corporation** **Bioren & Co.**

March 28, 1945

The Right to Be Politically Free

(Continued from page 1371)

why I no longer conduct it.

There are many distinguished guests in this room today—union members, civic and industrial leaders. I hope they and the listeners on the air hear me—not as a jury but as the fathers and mothers and brothers and sisters of American children—and American men and women fighting on the battlefronts of the world—and listen to me just as the good Americans you are.

But because my case involves a disagreement with a union, or at least with union authority, it is important for you to know that I hold in the highest regard the American Labor Unions. They have done a fine job for the American laborer. And the magnificent and superhuman job that the American working man has done during this war (regardless of exceptions) makes one of the greatest sagas of unified endeavor the world has ever witnessed.

Mr. Jeffers is a union man. He has carried a union card for 55 years. As a union man, he rose to be president of the great Union Pacific Railroad.

He was not of the landed gentry. His father pounded earth behind the track-layers—as this pioneer railroad crawled westward. And Bill Jeffers got a job as a telegrapher, joined the telegraphers union—from choice—and rose to be president of the Road—not by force or coercion or political maneuvers—but because he was the best man.

That is free America. That is the land of opportunity—when the son of an Irish immigrant becomes president of the Railroad on which his father shovelled dirt and drove spikes.

My host is a good union man. Many of these guests are good union men. And I believe that I am a good union man. But I would not consider myself a good union man if I did not object when I believe my union is making a mistake—nor would I consider myself a good union man if I obeyed my union boss' orders to pay money to support or oppose a proposition at an election when I hold a different political belief, any more than I would consider myself a good American citizen if I voted the way a POLITICAL boss told me to vote if I did not think he was right.

Nor would I support any person or measure that I thought was against the best interests of the nation—no matter who told me to do so. Would you?

My case is simple. It is the case of very American workman. It is THE RIGHT TO BE POLITICALLY FREE.

Political freedom is the backbone of the Republic. Destroy it and you have broken the back of the United States.

I am a union man and I believe I am speaking for an overwhelming majority of union men—leaders and members both—when I say the American workman must be free from coercion and intimidation—with the right to make up his own mind at an election what candidates and measures he shall approve or disapprove—to which candidates and measures he shall give his money and support, and to which he shall refuse his money and his suport.

Reasons for Joining a Union

For nearly ten years I have conduced a Radio Theatre of the air. After I had been conducting it for a year or so, a union was formed under the title of the American Federation of Radio Artists. I was asked to join and did so, and paid my $100 a year dues without question.

But when I signed for membership, I did not mean it to be a proxy, giving the union leaders the use of my free rights as a voter.

In joining the union, I did not suspect that I was required to give up my rights as an American citizen—or that I would ever be asked to place unionism above Americanism—or that I would not be free to support what party, people or propositions I desired to support—or that I would actually be removed from my job because I would not concede the right of others to think for me politically.

Freedom has made America great, and there can be no freedom for the nation if its people are not individually free.

About Aug. 16, 1944, I received a letter from AFRA (that's the abbreviated name for my union), the first paragraph of which reads as follows:

> "By action of the Board of Directors of AFRA, each member has been assessed $1 to finance the campaign in opposition to No. 12 or the mis-titled 'Right of Employment Amendment' to be submitted on the State Ballot in November."

The last paragraph of the letter says in part:

> "Immediate payment of assessment is required.
>
> "It must be paid on or before Sept. 1, 1944.
>
> "Failure to pay will result in suspension."

Suspension, of course, automatically costs you your job.

You will note the Board of Directors made the assessment for a political purpose without calling the members to meeting. Without any authority they made up the minds of 2,300 members that those members were opposed to Proposition 12. They did not ask a contribution of $1 — they demanded one dollar on threat of suspension—and suspension denies the right to work.

In the by-laws of the Los Angeles AFRA Local, there is no mention of the right to assess for any purpose.

And upon my refusal to pay, on the grounds that my political beliefs were my own, I was told that I could not work. In other words, my right to earn a living depended upon my supporting somebody else's political opinion contrary to my own.

Not a Question of Unionism

You see, this is not a question of unionism or non-unionism. It is just a question of whether my rights at an election belong to me or whether they belong to a union.

And on that simple question rests the fate and future of this nation—whether we are to be a totalitarian country or a Democracy. And we are **not** a Democracy by just calling ourselves a Democracy. Democracy means freedom of choice.

Do we have to sell that freedom of choice for the right to earn a living?

I do not believe that is the purpose for which labor unions were formed. I do not believe that is the desire of the true American labor leaders. I know it was not the desire of Samuel Gompers—for it is un-American. And it is one hundred per cent wrong.

But AFRA was defending its power and I was defending my right—so we went to court.

A judge of the Superior Court of Los Angeles County found in favor of the union—on the ground, and mark this well—on the ground that Proposition 12 was **not** a political issue.

Here was a proposition on the ballot to change the Constitution of the State of California—a proposition that had over one million votes cast for it, and over one million votes cast against it—a measure which the absent soldier vote supported two-to-one. But the Court holds that it is not political—because it opposed the closed shop.

And the union, so said the Court, was fighting for its existence. So the issue was not political.

Here in Omaha—where you have the Railroad Brotherhoods which are among the greatest and best unions in the world, operating as an **open shop** under the Railway Labor Act of the Congress of the United States—it must seem strange to you that the Los Angeles judge said that the American Federation of Radio Artists was fighting for its existence because it was **threatened** with what you already have and under which you have grown into such a great, wise and powerful union—with the open shop.

The Los Angeles County judge apparently agrees with me that a political assessment is wrong—but not if a union needs the money to fight a proposition affecting it to be voted on by three million people.

So we have, at least in Los Angeles County, one law for the union and another for the lonely citizen who still has illusive hopes that we are living under a Constitutional Government with one law for all.

Well, we are living under a Constitutional Government and I'm trying to find out whether it's the Constitution of the United States—or the constitution of a union.

In the first court decision, I found out.

But there is a famous case in which another Court held:

—"It is not enough to say that a man's vote has not been influenced. It is also necessary for his freedom that he shall not have been coerced into supporting, by money or otherwise, the candidate or measure which he wishes to oppose."

Are we a totalitarian State or are we a Democracy—and does Democracy mean freedom of the individual or only freedom for the union and the ruling powers?

The Devil wears many faces, and the American people want to see what face is really behind this new mask of False Democracy. Who is it that controls the God-given right to earn a living? Who is this power that can condemn a man and his family to starvation if they don't comply with its desires?

Is this unseen power guided and inspired by the spirits of Washington, Adams, Jefferson, Madison, Lincoln? Is it inspired by the love of America and her tradition of freedom? Or is it inspired by a selfish desire for its own political advantage and power? What do you think?

From where did such ominous power arise in this land of the free? It comes from forced election contributions and control of a heavy voting power placed in a few hands—which gives a relatively few people coercive power over Legislatures and Congress, and even may affect our courts.

This is no issue of unionism. It is an issue between all liberty-loving citizens and a few unscrupulous men who are trying to gather into their own hands, for their own use, the Power of the People—just as it was gathered in Germany and in Italy and in other totalitarian countries.

And if it is not quickly stopped, all individual rights and freedom will be gone—and only the right to obey left to us.

Thomas Jefferson said, "Resistance to tryants is obedience to God."

Unions in Politics

The great majority of union membership and officers are fine, right-thinking American men and women. And yet we find a nation indignant and outraged against many unions—an army opposed to and threatening them . . . many courts and Legislatures in terror of them. Why?

Because certain leaders have forsaken the high purpose for which the union was created, and have gone into politics to control and bend the nation to their will.

As the war moves on, country after country sees the spectre of oppression and **government by small cliques** loom larger and darker over the world. The United States is no exception to this trend.

It is a pity that the Monroe Doctrine does not apply to foreign ideology as well as to foreign guns.

President Madison said, "It is proper to take alarm at the first experiment on our liberties."

And Abraham Lincoln wrote, "At what point is the approach of danger to be expected? If it ever reach us, it must **spring from amongst us** . . . if destruction be our lot we must ourselves be its author and finisher."

What does Lincoln say? That we cannot be defeated by an enemy from without—that if we ever go down to destruction, it will be from an enemy within.

To avoid this, I ask that political freedom be restored to the American working man. As long as a union remains the servant of the worker and not his master, both are safe.

I have great faith in the American people. If they retain their freedom, America retains her freedom. If the people sell their freedom—or it is taken from them by regimentation—no matter under what patriotic name it masquerades—if the right of Free Choice is taken from us, to be administered by our bosses, America is through. Its purpose is dead.

This nation was conceived in Liberty. For the sake of all mankind, don't let it die in bondage.

I am not speaking here for or against a closed shop. But a closed shop constitutes a monopoly of labor—and where any monopoly exists, it should be controlled and regulated for the welfare of the community. It should be governed by the same kind of laws and restrictions that apply to a water company which controls all the water, or an electric company which controls all the light and power.

Such companies cannot refuse service to a man because he will not contribute a dollar to their political campaign fund.

Where there is an uncontrolled monopoly of anything, including labor, as in my case, there is tyranny. Power corrupts, but absolute power corrupts absolutely.

The American people do not favor, and I believe they will not endure Tyranny. But there has been built up in this country an unelected government which is superseding in power and authority the elected government. And a dissenting voice raised against this unelected but all-encompassing power is condemned to obliteration, branded with the standard name of labor hater, labor baiter, fascist, and other venomous terms; whereas, in reality, he is only pleading for Constitutional Government for all—the same law for the rich and the poor, the educated and the uneducated, the majority and the minority, union and non-union—he is speaking out against the injustice of one imposing its will upon the other.

There must be 80 or 90 million citizens of the United States who still believe in Constitutional Government and freedom of the individual.

Dangers of High Pressure Groups

These 80 or 90 millions must forget that they are Democrats or Republicans, or Protestants or Catholics, union or non-union—and unite to save their individual liberty and their rights as free Americans—unite to prevent our government, our Congress, our legislatures, and our courts from being high-pressured into submission by any minority groups of individuals operating for private purpose and gain—groups that have taken to themselves the divine right to control human destiny—even the right of life and death by control of the right to work.

Unfortunately, un-American elements seem to have captured many sources of public information and dissemination of news, with the result that millions of unorganized, plain common sense Americans find themselves without outlets for the expression of their views. But 80 million or more still exist.

In many instances, those who

E. Harold Schoonmaker Analyses Post-War Interest Rate Factors

(Continued from page 1372)

ish their purchases of government securities unless a higher rate of interest is offered? I have heard several people say recently that they now hold all the war bonds they care to own.

6. Will prices continue to advance?

7. When will the government decide that a rise in interest rates is preferable to a further rise in prices?"

THE TRENDS IN CERTAIN GOLD RATIOS DURING SIX PERIODS OF RECENT AMERICAN HISTORY

Date—	Federal Reserve Ratio	Monetary Gold Stock	Federal Reserve Credit	Currency Circulation	A Ratio of Gold to Federal Reserve Credit	B Ratio of Gold in Credit and Circulation
Period 1		(In millions of dollars)				
Dec. 31, 1916	81.4%	$2,556	$222	$3,679	1,151.4%	65.5%
Dec. 31, 1917	59.1	2,868	1,171	4,086	244.9	54.6
Dec. 31, 1918	48.0	2,873	2,498	4,951	115.0	38.6
Dec. 31, 1919	39.6	2,707	3,292	5,091	82.2	32.3
Dec. 31, 1920	43.3	2,639	3,355	5,325	78.7	29.7
Dec. 31, 1921	70.2	3,373	1,563	4,403	215.8	56.5
Period 2						
Dec. 31, 1927	66.4	4,092	1,655	4,716	247.3	64.2
Dec. 31, 1928	63.3	3,854	1,809	4,686	213.0	59.3
Dec. 31, 1929	69.6	3,997	1,583	4,578	252.5	64.9
Period 3						
June 30, 1931	84.6	4,669	943	4,535	495.1	85.2
Dec. 31, 1931	66.5	4,173	1,853	5,360	225.2	57.9
June 30, 1932	57.6	3,632	2,310	5,408	157.2	47.0
Dec. 31, 1932	62.9	4,226	2,145	5,388	197.0	56.1
Period 4						
Dec. 31, 1933	63.8	4,036	2,688	5,519	150.1	49.2
June 30, 1934	69.4	7,856	2,472	5,373	317.8	100.1
June 30, 1935	74.2	9,116	2,480	5,568	367.6	113.2
June 30, 1936	79.0	10,608	2,473	6,241	429.0	121.8
June 30, 1937	79.7	12,318	2,562	6,447	480.8	136.7
June 30, 1938	82.4	12,963	2,596	6,461	499.3	143.1
June 30, 1939	85.6	16,110	2,579	7,047	624.7	167.3
Period 5						
Dec. 31, 1939	86.7	17,644	2,593	7,598	680.4	173.1
June 30, 1940	88.8	19,963	2,531	7,848	788.7	192.3
Dec. 31, 1940	90.8	21,995	2,274	8,733	967.2	199.8
June 25, 1941	91.2	22,620	2,249	9,490	1,005.8	192.7
Period 6						
Dec. 31, 1941	90.8	22,736	2,361	11,161	963.0	168.2
July 1, 1942	88.9	22,739	2,873	12,416	791.5	148.7
Dec. 30, 1942	77.1	22,726	6,428	15,407	353.5	104.1
June 30, 1943	73.8	22,387	7,576	17,420	295.5	89.5
Dec. 29, 1943	62.3	22,004	12,430	20,428	177.0	67.0
June 28, 1944	56.1	21,193	15,423	22,421	137.4	56.0
[illegible] 27, 1944	48.9	20,629	19,821	25,335	104.1	45.7
Mar. 3, 1945	**48.4**	**20,506**	20,158	25,750	101.7	44.7

would speak out are frightened by the "smear" technique which the un-American elements have adopted toward all who oppose them. However, somewhere, somehow, these millions of plain common sense people are going to find leadership and outlets for the expression of their will.

Then, like Gulliver—the sleeping giant of the great American people—bound down by the strings of the Boss Lilliputians—will rise up and walk.

We must find a voice for the great mass of Americans who want to cry out against the rape of American Freedom.

We have fought five wars to a successful conclusion under our Constitution. I can see no reason for scrapping it in this one.

We have won the Battle of the Atlantic, The Battle of the Pacific, the Battle of France, and the Battle of the Philippines are won. And we are nearing victory, thank God, in the Battle of Germany. And all during these gallant and heavy-priced victories we have been losing the Battle of America on the home front—losing the very purpose for which these other battles were fought.

If our men, whom we sent out to fight for Freedom and the American way of life, return and find that we have changed from government by **law** to government **by men**—

That many our courts no longer strive for justice but are ruled by political expediency—

That government of the people is no longer **by** the people but by high-pressure minority groups—

That the one safeguard that remained to us, the people—our free rights at an election—has been taken from many of us and delivered to a union Board of Directors—

That people in this country have been denied the right to work—forced from a trade or profession to which they have given their lives—condemned to idleness and the dole because they will not contribute to the political beliefs of others—

What will they say—these men who have been fighting on every battlefront in the world? What will they say when they find that we at home have surrendered America—that we have been guilty of treason to our fighting forces by letting an enemy come in behind them and cut away their individual freedom while their blood was being shed for it abroad?

Have we as a nation become so afraid to assert ourselves that we will sell our children into slavery?

If we throw away now the gifts of Washington, Jefferson and Lincoln—if we undo now the work of the countless thousands who have given their lives for Liberty, we shall be guilty of a crime against God and man that it will take centuries to expiate.

This country is the hope of mankind, and it was built upon the rock of individual liberty.

My voice is the voice of one crying in the Wilderness—make straight your paths for freedom, God's greatest gift to man.

It will be a hollow victory to you mothers whose sons are fighting abroad if they must return to serfdom here at home. They did not pay for the right to fight. Must they pay for the right to work?

You can stop this abuse of power—and you can stop government from sanctioning such abuse of power—if you organize for just one thing—the right of the worker to be politically free.

And hang onto Constitutional Government as you would to a life-raft in a boiling sea. The Constitution of the United States and the governing power of Congress are being replaced by administrative bodies with the power of making regulations which have the force of law.

Stop Dictatorship

This is dictatorship. You can stop this only through organization.

Too many Americans—big and little—have run to cover in the hope they can hide out through the storm—afraid of the propaganda machine that has been turned against them to shoot maledictions, as a machine gun shoots bullets.

Don't think we are only **threatened** with totalitarianism. To a great extent we **have** totalitarianism today, because too many business men and laboring men alike have been Neros who fiddle while the Liberty of their country burns.

I do not think that all who follow this course toward totalitarianism are bad Americans. Many of them are blind Americans who cannot see the net of regimentation into which they are swimming like a school of fish.

And the bait that draws so many eager fish is the alluring sound of Free from Worry, Free from Fear, Free from Want, free from everything — including **Freedom!**

This is really no Utopian dream for the working man. It's the harnessing and enslaving of American might for private and poltical use.

Remember that all through history every free Democracy has lasted but a few centuries and then passed into a dictatorship.

Don't be regimented. Don't be forced into obeying the political orders of your boss—union or industrial.

William Penn said, "Obedience without liberty is slavery."

Many of you are still free men and women. It is for you to rescue those of us who have felt the hand of Tyranny upon us, before you yourselves are regimented and your right to work is taken from you as mine has been from me.

Edmund Burke, a good Irish man, warned, "When bad men combine, the good must unite—else they will fall one by one, an unpitied sacrifice in an unequal struggle."

The unions were formed for better conditions and opportunity and freedom. The union man is in danger of losing for himself and his children and his grandchildren the very freedom and opportunity for which his union was created. All freedom depends on a truly free election.

In closing, may I say that I miss, more than I can tell you, my visit in 10 million homes every Monday night. The friendship of those unseen millions warmed my heart as nothing in life has ever done—but I would rather never visit them again than visit them as a betrayer of the principles that made those homes possible.

There is one union that I place above all others—the Union of the United States of America.

American Labor Group on Int'l Affairs Approves Bretton Woods

(Continued from page 1376)

employment, they will help to raise real income. But as I shall attempt to show, the agreements will also increase real income in other ways."

Commenting on the alternative "Key Currency" Stabilization idea proposed by a group of bankers and economists, Mr. Halasi has this to say:

"Monetary cooperation, under the leadership of the key-currency countries, the United States and England, would be desirable for the purpose of bridging over temporary deficits in countries of the dollar and sterling area by means of dollar or sterling credits or by approved devaluations so that they would not be forced to resort to measures 'destructive of national or international prosperity.'

"The United States would then have the responsibility for monetary cooperation in the dollar area; England for cooperation in the sterling area—on the assumption that England will be helped by a large gift or loan from the United States to exercise monetary leadership after the war.

"The dollar-sterling area solution would leave out of the picture all those countries which remain outside the dollar or sterling areas, leaving them, on the other hand, complete freedom for devaluing their currencies without international supervision. It would constitute no really international solution.

"But what procedure would be followed within the dollar and the sterling areas? Decisions would have to be made continuously in respect to credits to particular countries in the dollar or sterling area, for the purpose of bridging over temporary deficits. Changes in the exchange rates would have also to be supervised by public authorities. The question is then whether these recurrent decisions would be made on the basis of definite agreements, establishing rules which would be followed whenever decisions are made or whether the United States and England as leaders would proceed through consultation but without being bound by rules.

Mr. Halasi, in expressing views on the working of the operation of the Fund and the Bank in promoting and "harmonizing" high levels of employment in member countries, holds that "the Bretton Woods Conference thus rightly recommends that efforts to promote high levels of employment and raise living standards in member countries should be "harmonized." The Philadelphia Conference of the International Labor Organization (I. L. O.) in 1944 devoted much attention to this problem when, at the initiative of Australian and Canadian delegates, it discussed the problem of simultaneous (pari-pasu) anti-inflation and anti-deflation measures by all the members of the United Nations who found themselves in the same phase of the business cycle. Those delegates suggested that the United Nations should commit themselves by an international agreement to "harmonize" their domestic employment policies. It was decided in Philadelphia that the governments of the United Nations should call a special conference of governmental delegates for the purpose of deliberating on this problem. An international conference which has been recently announced for the discussion of the problem of trade barriers will in all probability also discuss the question of an international agreement for simultaneous employment policies in all member countries. (This would be only natural, since member countries can hardly be expected to remove trade barriers as long as they have to fear great depressions in important member countries.)"

"The Bretton Woods agreements themselves," he continues, "are based on the principle of good neighbor economic policies. The Fund's management would refuse approval of devaluations which aim at gaining competitive advantages and forbid avoidable exchange controls (except on 'capital account transactions') and discriminatory monetary practices after the transition period. But many members will hesitate to acquiesce in the restriction of their freedom in monetary policies unless full employment is maintained in the other member countries, particularly those which constitute important markets for their exports."

Mr. Halasi appears firm in his conviction that tariff reductions and lending abroad are desirable to permit the successful working of the Bretton Woods Agreements.

"A final objection to the extension of U. S. exports," he says, "stems from the fear that economic disturbances will arise in this country when debtor countries repay their debts or pay interest and dividends. Unless they are prepared to restrict their imports, debtor countries can make such payments only if they can increase their exports. This they cannot attain unless the United States increases its imports. But, the argument runs, the United States can increase its imports only if it is prepared to reduce tariffs. This argument has been used both by advocates of a substantial reduction of the present high tariffs, and those who want to keep them. The former contend it is no use to promote foreign lending until American tariffs are reduced, and the latter, wishing to avoid tariff reduction, contend that extension of foreign lending may prove prejudicial to legitimate American interests.

"In this paper, the conviction has been repeatedly expressed that the reduction of American tariffs would be highly desirable in many respects: it would increase the real income of the country, and by increasing American exports above the level secured by actual capital exports, it would facilitate the service of old debts. This would also protect the resources of the Fund and the Bank.

"But a program for encouraging exports by means of substantial foreign lending can be developed even without tariff reform. The solution to the problem is to be found in full employment on the one hand and a steady flow of foreign lending on the other.

"If we have full employment in this country with the high national income that this implies and with this high national income increasing still further year by year because of progress in productivity and increase in population, our imports will automatically increase sufficiently to take care of interest, dividend, and amortization payments by the debtor countries. This will be so even without any change in our tariff structure.

"A steady flow of foreign lending will meanwhile permit those debtor countries which would otherwise need an export surplus for servicing their foreign debts to continue buying in the United States. No difficulties would then arise from the necessity of servicing debts for at least a generation during which foreign countries will be in need of capital imports."

A. DePinna Company
$0.60 Convertible Preferred Stock
Class A Stock
Circular on request
HERRICK, WADDELL & CO., INC.
55 LIBERTY STREET, NEW YORK 5, N. Y.

The Securities Salesman's Corner

"Yesterday's Markets Today"

By JOHN DUTTON

For the past several years there have been all sorts of arguments, both pro and con, regarding the quotation on over-the-counter securities in the daily papers. More time and energy has been wasted trying to devise a fair and proper method of handling this matter than almost any other phase of the retail end of the securities business. At the present time the N. A. S. D. is attempting to put a new system of newspaper quotes into effect. Numerous complaints have come to hand indicating that the spreads in the quotations on some securities under the new system, where inaugurated, are such as to make it impossible for retailers to sell them and make a profit. This is another effort to solve the problem of giving the public a better indication of markets, and also provide a spread that is sufficiently wide enough to cover a dealer's requirements.

This problem has never been solved to the satisfaction of any one. Neither the S. E. C., the N. A. S. D., the wholesale firms making primary markets, the retail dealer, or the retail salesman, has been satisfied with any quotation system used in the past. It is our opinion that **no one will ever be satisfied with any system.** The reason we believe this to be so, is that the whole thing is nonsensical from the beginning. You can't solve the unsolvable.

First of all, no quotations given to the papers by any dealer, or by any committee, as to what they BELIEVE a retail dealer would have bought or sold a specific security, the DAY BEFORE THIS QUOTE APPEARED IN **TODAY'S** PAPER, can mean anything definite, or positive, to anyone. When an investor buys or sells a security, HE BUYS OR SELLS IT TODAY—NOT YESTERDAY. What good are yesterday's quotes? What does it matter if some dealer says that another dealer should buy or sell a security at a certain price—DOES THAT CONSTITUTE A MARKET?

In many cases, markets have moved up or down beyond that printed in today's paper (referring of course to yesterday's market) and where it has been almost impossible to convince the investor, that he should pay more than the newspaper quote if he were a buyer, or receive less if a seller. Sometimes newspaper quotes have been given to the press, where the inside offered price has been above that quoted in the papers. Yet the customer, like most people who read the papers, believes that if something is in the paper it must be so.

The answer to the problem, as we see it, is CUT OUT ALL NEWSPAPER QUOTATIONS OF ALL OVER-THE-COUNTER SECURITIES if the retail securities business is going to be adversely affected by the N. A. S. D.'s new system. Then educate the public to understand that if they want quotes or markets, all they have to do is pick up the telephone and call their security dealer or broker. In this way they'll get real markets and quotes. They will be today's markets too—not yesterday's ideas, guesses, or suppositions. After all the newspaper don't **buy** or **sell** securities—it's about time the N. A. S. D., the S. E. C., and the public found this out. However, most retail securities dealers, and their salesmen, HAVE KNOWN THIS FOR YEARS.

From Yalta to San Francisco

(Continued from page 1374)

his message to Congress of January 6 he explained that the practice of cooperation had been inhibited by the idealism of the American people. "Perfectionism," he said, "may obstruct the paths to international peace."

The reply came back quickly. One place where that reply was voiced was the Cleveland Church Conference held 10 days later. There, delegates from all over the United States unanimously adopted this resolution:

> "We believe our Government should not merely talk about its ideals. It must get down into the arena and fearlessly and skilfully battle for them."

The sentiment thus voiced was representative of the overwhelming sentiment of the American people. So, when President Roosevelt embarked for the Crimea, he carried with him a clear mandate to make cooperation a reality.

That mandate the President carried out. He accepted, for the American people, a responsibility for European political decisions. The Soviet Union on its side accepted the participation of the United States and of Great Britain in decisions which vitally affected it, notably the decision of what would be the Soviet's western boundary. Thereby a new era was opened. The United States abandoned a form of aloofness which it had been practicing. The Soviet Union accepted joint action on matters that it had the physical power to settle for itself. Those are two momentous precedents. They show that cooperation can be made a living reality. Without that Dumbarton Oaks would have been a hollow sham.

The Yalta Conference

Many do not like the sample of reality which Yalta produced. Certainly some of the decisions there taken were very imperfect. But that is because the collaborators are themselves imperfect. Their defects will not be removed by breaking up the collaboration. On the contrary, that would intensify the defects. Then each of the great powers would be actuated by fear. Fear brings out the worst in men. No one can contemplate with satisfaction the fate of the small nations if the great powers start girding themselves for possible war against each other. As it is, we have a collaboration which, with all of its defects, can develop into a constructive and remedial force. Concededly also, it can develop into a destructive force, as did the Holy Alliance. But if collaboration is not kept going, there will not be the constructive alternative. Destruction will be assured.

Our responsibility is not to guarantee what posterity might do. Our responsibility is to give posterity a chance. That requires us to arrange that the end of the war shall not end the actuality of collaboration between the United Nations. To arrange that is, above all, a practical task. All proposals for amending Dumbarton Oaks, however sound in theory, must be subjected to this test: Can they be adopted without killing the hardly won and fragile reality of present cooperation?

We must not, however, be content merely because we can give posterity *a* chance. We must make that chance as good as possible. To provide one chance in five is better than doing nothing. But to provide two chances in five is much better. The Dumbarton Oaks Proposals provide a fair chance. But it ought to be possible to improve that chance without destroying the going collaboration of the principal Allies.

There is, of course, a severe practical limitation on changes that can be made consistently with holding fast to the good that we have. Anyone who has had experience with international conferences knows that a conference of some 40 nations must depend largely on the preparatory work of a few. The San Francisco Conference must depend on Dumbarton Oaks, otherwise there will be chaos.

Two Changes Suggested

However, some changes can be, and will be, made. I here suggest two which could readily be fitted into the framework of Dumbarton Oaks and which would greatly improve the chance we will give to posterity.

My first proposal is that the organization should be infused with an ethical spirit, the spirit of justice. I realize full well that "justice" is not readily defined. It means different things to different men. But it means something, and something very vital, to all men. The charter should require the new organization, as its first order of business, to undertake the difficult but essential task of developing conceptions of justice by which it will be guided. Only thus will it survive. For survival is awarded only those who seek moral goals acceptable to the mass of mankind. As Alexander Hamilton said: Government "ought to contain an active principle."

The British Government has long contained an active principle. The Magna Charta dedicated it to promote individual freedom and justice. "To none will we sell, to none will we deny, or delay, right or justice." It was because Britain had over the centuries been activated by that principle that free men everywhere rallied to her side.

The American Constitution contains an active principle. It was designed to "establish justice" and to secure for the founders and their posterity "the blessings of liberty." The Great American Experiment caught the imagination of men everywhere and did much to assure us safety and opportunity during our formative years.

The Soviet Constitution contains an active principle. It was designed to abolish "the exploitation of man by man." That active principle enabled the Soviet Union not merely to survive but to wax strong in a world which for 24 years was actively hostile.

And now Great Britain, the United States and the Soviet Union survive as the three great powers of the world.

Of the organs of the League of Nations, there are two outstanding survivals. One is the World Court, designed to establish justice in the world. The other is the International Labor Office designed to uplift the condition of human labor. Many thought that the heart of the League was Article 10, designed, through the Council, to perpetuate the territorial integrity of the members of the League. Article 10 was not a heart—it was a clot in the blood stream of a living world. Today we are fighting to alter territorial arrangements which Article 10 sought to perpetuate for all time. Many of those arrangements, notably the Japanese Empire, we now see as quite unjust. Scarcely one of the European or Asiatic members of the League will, after this war, have the boundaries which Article 10 sought to consecrate.

The Dumbarton Oaks Proposals do, to some extent, reflect an active principle. There is to be an Economic and Social Council. Probably there will be a Colonial Council. The General Assembly, too, may recommend the change of situations likely to impair the general welfare. But the Assembly is subordinated to the Security Council. Once the Security Council assumes jurisdiction, the General Assembly must be mute. The Security Council itself is confined to a mechanistic role. It can act only after there is already a dispute likely to threaten the peace. Then it can call for sanctions, but only "to maintain or restore." It has no mandate to seek to remedy conditions which unnecessarily repress human aspirations or to seek the revision of treaties or prior international decisions which will seem unjust.

That is seriously wrong. The Security Council is the dominant organ of the new world organization. It is given "primary responsibility" for the maintenance of peace. It is designed to "function continuously." It is compact enough to be effective. Its membership will permit the great nations there to exercise a responsibility comparable to their power. That Council ought to be endued with an active principle. It should judge the merits of situations which may give rise to friction and neither it nor member states should be required to use force to sustain a condition found to be unjust. That is what I mean when I talk about giving the organization a soul. We do not want the new Security Council to perish, as the old League Council perished, under the blight of a mechanistic conception.

My second suggestion is that the procedure for amending the Organization's charter be liberalized. Now, a perpetual right of veto would be given to each of the "Big Five" states. That would prevent growth. We have spoken of giving the Organization a soul. We must not confine that soul in a strait-jacket.

President Roosevelt in his March 1st report to the Congress said:

> "No plan is perfect. Whatever is adopted at San Francisco will doubtless have to be amended time and again over the years, . . ."

That was a wise utterance. However, to paraphrase the parable, it will be easier for a camel to go through the eye of a needle than for an amendment to go through the Dumbarton Oaks formula. That requires not merely a two-thirds vote of the General Assembly and ratification by a majority of the members, but also the assent of each of the five "permanent" members. The five permanent members can never be changed. So the result is to give each of five states, in perpetuity, the power to veto any amendment of the charter of the organization.

That is the same formula that was used in the Covenant of the League. That provided also for a Council which had five permanent members. They, too, were given, in perpetuity, the right to veto any amendments of the League Covenant. The difference between the League Covenant and the Dumbarton Oaks formula is a difference in the composition of the Big Five. Under the League Covenant the Big Five were the five leaders of the then Grand Alliance. That included Japan and Italy. Now it is the five leaders of the present Grand Alliance. After 1920, it took only a decade to see that the framers of the League had guessed wrong. Perhaps this time we shall prove better guessers. But the future ought not to rest on a gamble that each of five nations will forever possess the qualities which now entitle them to leadership. Starting, as we do, with a document that we know will have to be changed, we ought not to give any single nation a perpetual right to veto such change.

The League Pattern Reappears

Why does the League pattern of rigidity reappear? The reason is simple and fundamental. In both cases the peace structure is being framed by nations who are the principal victors in a great war, who have rearranged the world to suit themselves. Their principal concern is that it should never become disarranged. So they plan a structure of peace which can never be altered without the consent of each of them. No one of them trusts the others sufficiently to permit of decisions in which it does not concur. Perhaps, also, some lack self-confidence. They may not feel sure of their own ability to go on deserving top rank in the world. Therefore, they seek artificially to perpetuate that position. They think through such rigidities to find safety. Actually these rigidities imperil the whole structure of peace.

It is the great tragedy of victory that the victors seek a riskless peace. Peace cannot be had on those terms. Peace, like war, requires that peoples go on taking risks. The kind of risk is different. Peace requires each victor to trust others to the extent of permitting change without the unanimous consent of any named group. That means taking a risk on the fairness and decency of the group as a whole. That is a reasonable risk to take. The Big Five are going to require all the other nations to take that risk. Unless they take it themselves, they will not have built a workable structure.

Peace will not be won except by those who dare. That applies before victory. Equally it applies after victory. Let us hope that at San Francisco the great powers will dare to give posterity a good chance.

In another address before the United Nations Forum in Washington on March 26, Mr. Dulles analysed further the Dumbarton Oaks Proposals, pointing out that the "military contingent" provision was "ineffective because there is no law to which they can be harnessed." In amplifying this statement, Mr. Dulles said:

"That is a defect and one which ought to be remedied. The defect is not, however, as inexcusable as it might seem, because there is no quick or ready way to create an adequate body of international law.

"Within a community we can get law in two ways. One way is the 'common law' way. That requires common moral judgments and like habits and customs. The second way is the statutory way. There is a legislative body or council which issues laws. It puts down in black and white what it thinks the community needs in the way of law. But even statutory law is ineffective without a foundation of common moral judgments.

"Within the society of nations neither of those ways is presently available. There are not enough common moral judgments or similarities of habit to develop an adequate body of common law. There is no legislating body to produce statute law."

Continuing, Mr. Dulles remarked: "It might naturally be asked why the Dumbarton Oaks Proposals did not include a proposal for an international legislature, so as to create the body of law needed to enable its international court and policeman to be effective.

"Such a project would not at the present time be practical. There is not sufficient trust and confidence and sense of community among the nations to permit of delegating to a legislative body the power to enact laws which would bind the nations. That is illustrated by the provision of the Dumbarton Oaks Proposals with reference to amending the Charter of the World Organization. Each of the Big Five proposes to keep, in perpetuity, a right to veto amendments voted by two-thirds of the Assembly. I hope that that particular provision can be changed. But there will be no delegation of power to an international parliament.

"Are we then at a dead end? Certainly not. We are, however, at a stage where we must begin at the beginning. That means something very elemental."

"That should not discourage us," he continued. "We have had a good result from that kind of a start. The States which founded our present union were, from their beginning, quite homogeneous. The peoples spoke the same language, worshipped the same God, had much the same habits and had a large body of common law. But the first step that they took to prevent war among themselves was, by Articles of Confederation, to make what they called a 'League of Friendship.' That did not set up any organ with the power to legislate for the confederation as a whole. The distrust was so great that each State reserved its own sovereignty in that respect. That League was a failure in the sense that it did not, from the beginning, contain all of the elements needed to solve all the problems of international finance and monetary stability, dealt with at Bretton Woods. There are colonial situations, where international supervision can promote autonomy and can prevent exploitation. There is the matter of limiting the economic burden of armament, which can be dealt with only on an over-all basis. There is the matter of promoting the revision of treaties and prior international decisions which may turn out to be unjust and unnecessarily repressive of human aspirations. There is the task of seeking for men everywhere religious freedom and education and cultural opportunities.

"Along these lines the World Organization could do more than Dumbarton Oaks proposes. Those Proposals would give the new Organization much of a mechanistic quality. Too much it seems designed to preserve the *status quo*. We need an organization which is dynamic, inspired by a purpose to advance the general welfare. That is needed not merely because of the intrinsic good that can be done. It is needed even more because only out of such an approach can there come the by-products upon which we depend for further progress. One such by-product is a realization by men everywhere that cooperation is not a yoke which they must grudgingly carry. Rather, it is an opportunity to advance their own welfare as part of the general welfare. Another such by-product is the good will and mutual confidence which comes when men in fellowship do creative tasks. Those by-products are essential if the nations are to be held together and go on to the building of a rounded world structure."

Mr. Dulles concluded by saying that, "We can expect from San Francisco that kind of success. We cannot expect more. There will emerge no modern, stream-lined instrumentalities to guarantee a peaceful settlement of international disputes. Those may come later. Until they do come, conflicts of national interests will continue to be settled primarily by power. That places a heavy responsibility upon Great Britain, the U. S. S. R. and the U. S. A., which in fact posses preponderant power in the world. If the three use their power justly, and in unity, they can provide a climate in which can grow the institutions required for organized peace. That opportunity, at best, will be short. For, any order which depends on individuals rather than institutions is a precarious order. Therefore, we must push on, looking to San Francisco, not as a stopping point, but as a starting point."

DIVIDEND NOTICES

BUTLER BROTHERS

The Board of Directors has declared the regular quarterly dividend of One Dollar and twelve and a half cents ($1.12½) per share on Cumulative Preferred Stock, 4½% Series, and a dividend of fifteen cents (15c) per share on Common Stock, both payable June 1, 1945, to holders of record at the close of business May 3, 1945. Checks will be mailed.

EDWIN O. WACK
Secretary

March 22, 1945

CONSOLIDATED NATURAL GAS COMPANY

30 Rockefeller Plaza
New York 20, N. Y.

DIVIDEND NO. 3

THE BOARD OF DIRECTORS has this day declared the following dividends on the capital stock of the Company, payable on May 15, 1945, to stockholders of record at the close of business April 16, 1945:

Regular semi-annual cash dividend of 50¢ per share; and Extra cash dividend of 50¢ per share.

Checks will be mailed.

E. E. DUVALL, *Secretary*

March 28, 1945

Electric Bond and Share Company

$6 and $5 Preferred Stock Dividends

The regular quarterly dividends of $1.50 per share on the $6 Preferred Stock and $1.25 per share on the $5 Preferred Stock of the Company have been declared for payment May 1, 1945, to the stockholders of record at the close of business April 6, 1945.

B. M. BETSCH, *Asst. Treasurer.*

PACIFIC GAS AND ELECTRIC CO.

DIVIDEND NOTICE

Common Stock Dividend No. 117

A cash dividend declared by the Board of Directors on Mar. 14, 1945, for the first quarter of the year 1945, equal to 2% of its par value, will be paid upon the Common Capital Stock of this Company by check on Apr. 16, 1945, to shareholders of record at the close of business on Mar. 30, 1945. The Transfer Books will not be closed.

E. J. BECKETT, *Treasurer*

San Francisco, California

THE SUPERHEATER COMPANY

Dividend No. 159

A quarterly dividend of twenty-five cents (25c) per share on all the outstanding stock of the Company has been declared payable April 16, 1945 to stockholders of record at the close of business April 5, 1945.

M. SCHILLER, Treasurer.

UNITED GAS CORPORATION

Common Stock Dividend

At a meeting of the Board of Directors of United Gas Corporation held March 28, 1945 a dividend of fifteen cents (15c) per share on the Common Stock of the Corporation was declared for payment April 30, 1945 to stockholders of record at the close of business on April 10, 1945.

Attention is called to the fact that scrip certificates for fractional shares of Common Stock do not entitle the holder to this dividend unless combined with other scrip certificates into full shares of such stock before the close of business April 10, 1945.

H. F. SANDERS, Secretary

VANADIUM CORPORATION OF AMERICA

420 Lexington Avenue, New York, N. Y.
March 26, 1945.

At a meeting of the Board of Directors held today, a dividend of twenty-five cents per share was declared, payable April 12, 1945, to stockholders of record at 3:00 o'clock p. m., April 5, 1945. Checks will be mailed.

B. O. BRAND, Secretary.

Slayton Co. Adds Two

(Special to THE FINANCIAL CHRONICLE)

KANSAS CITY, MO.—Axel W. Lindgren and John J. Mastin have become associated with Slayton & Co., Inc., 111 North Fourth Street, St. Louis, Mo. Mr. Lindgren was previously with H. R. Kirk Investment Co. Mr. Mastin was with Barrett Herrick & Co.

Dealer-Broker Investment Recommendations and Literature

(Continued from page 1374)

& Co., 10 Post Office Square, Boston 9, Mass.

Chicago, Milwaukee, St. Paul & Pacific Railroad—Complete arbitrage proposition—**Sutro Bros. & Co.,** 120 Broadway, New York 5, N. Y.

Cross Co. Common Stock—Analysis of reasons for considering this an attractive low-priced situation—**F. H. Koller & Co., Inc.,** 111 Broadway, New York 6, N. Y.

Also available are memoranda on **Liquidometer Corp.** and **New Bedford Rayon.**

Crowell Collier Pub.—Special research study—**Goodbody & Co.,** 115 Broadway, New York 6, N. Y.

A. De Pinna Company—Descriptive circular—**Herrick, Waddell & Co., Inc.,** 55 Liberty Street, New York 5, N. Y.

Detroit Harvester Co.—Review of the situation—**Reynolds & Co.,** 120 Broadway, New York 5, N. Y.

Eastern Corporation Common—Circular—**Buckley Brothers,** 1529 Walnut Street, Philadelphia 2, Pa.

Electronic Co. Common—Report discussing this stock as an attractive low-priced dividend payer—**Hughes & Treat,** 40 Wall Street, New York 5, N. Y.

Fashion Park, Inc. — Post-war outlook—**Simons, Linburn & Co.,** 25 Broad Street, New York 4, N. Y.

Foundation Company—Discussion of attractive outlook for this heavy construction company in the post-war era of European reconstruction, domestic reconversion, and public works development—**Riter & Co.,** 40 Wall Street, New York 5, N. Y.

Foundation Company—Circular—**Seligman Lubetkin & Co., Inc.,** 41 Broad Street, New York City.

Garrett Corporation—Brochure and statistical information, available to dealers—**Fred W. Fairman & Co.,** 208 South La Salle Street, Chicago 4, Ill.

Albert Frank-Guenther Law, Inc., preferred stock—Circular—**George R. Cooley & Co., Inc.,** 52 William Street, New York 5, N. Y.

Gruen Watch common—Memorandum—**Buckley Brothers,** 1529 Walnut Street, Philadelphia 2, Pa.

Indiana Gas & Chemical—Late memorandum—**First Colony Corporation,** 70 Pine Street, New York 5, N. Y.

Interstate Aircraft & Engine Co.—Circular—**Hirsch & Co.,** 25 Broad Street, New York 4, N. Y.

Lehigh Valley RR.—Circular on the general consol. 4s-4½s-5s, 2003 — **McLaughlin, Baird & Reuss,** One Wall Street, New York 5, N. Y.

Lincoln Park, Mich.—Memorandum on refunding bonds—**Ballman & Main,** 105 West Adams Street, Chicago 3, Ill.

Long Bell Lumber Company—Memo discussing enviable post-war outlook and earnings possibilities—**Comstock & Co.,** 231 South La Salle Street, Chicago 4, Ill.

Macfadden Pub. Inc.—Descriptive circular—**C. E. de Willers & Co.,** 120 Broadway, New York 5, N. Y.

Magnavox Company—Brochure and statistical information, available to dealers—**Fred W. Fairman & Co.,** 208 South La Salle Street, Chicago 4, Ill.

P. R. Mallory & Co., Inc.—Analytical discussion — **Steiner, Rouse & Co.,** 25 Broad Street, New York 4, N. Y.

Merritt, Chapman & Scott—Analysis of company's post-war prospects and reasons for considering outlook of interest—**Hirsch & Co.,** 25 Broad Street, New York 4, N. Y.

Mohawk Rubber Co. — Discussion of attractive prospects for return and appreciation—**Ward & Co.,** 120 Broadway, New York 5, N. Y. Also available are late memoranda on:

Du Mont Laboratories "A"; Great American Industries; Massachusetts Power & Light $2 preferred; Majestic Radio; Magnavox Corp.; Electrolux; Brockway Motors; Scovill Mfg.; Bird & Sons; Riley Stoker; Alabama Mills, Inc.; American Hardware; Douglas Shoe; Hartford-Empire; Maine Central Pfd.; Purolator; Moxie; Southeastern Corp.; United Piece Dye Works; S. F. Bowser; Detroit Harvester; Boston & Maine; Buda Co.; Deep Rock Oil; Federal Machine & Welding; Gleaner Harvester; Liberty Aircraft Products; Lamson - Sessions; Berkshire Fine Spinning, Bowser, Inc.; New Jersey Worsted, and P. R. Mallory.

National Monthly Stock and Bond Quotation Service — Free trial offer being made by **National Quotation Bureau, Inc.,** 46 Front Street, New York 4, N. Y.

National Radiator Co.—Analysis, for dealers only—**C. E. Unterberg & Co.,** 61 Broadway, New York 6, N. Y.

New York, Chicago & St. Louis RR. Co.—Memo on post-war outlook offering attractive possibilities—**H. Hentz & Co.,** 60 Beaver Street, New York 4, N. Y.

Oxford Paper preferred & common — Analytical study — **Goodbody & Co.,** 115 Broadway, New York 6, N. Y.

Panama Coca-Cola—Discussion of this situation—**Hoit, Rose & Troster,** 74 Trinity Place, New York 6, N. Y.

Pittsburgh Railways — Current study—**First Colony Corporation,** 70 Pine Street, New York 5, N. Y.

Public National Bank & Trust Company—Analysis, for dealers only—**C. E. Unterberg & Co.,** 61 Broadway, New York 6, N. Y.

St. Louis-San Francisco Railway Co. and **Chicago, Milwaukee, St. Paul & Pacific RR. Co.**—Arbitrage letters—**Vilas & Hickey,** 49 Wall Street, New York 5, N. Y.

Schenley Distillers Corporation—Brochure of articles they have been running in the Chronicle—write to Mark Merit, in care of **Schenley Distillers Corporation.** 350 Fifth Avenue, New York 1. N. Y.

Seaboard All-Florida — Recent developments in the case, with the imminence of the appeal scheduled to appear before the Fifth Circuit Court on May 15 in New York—**L. H. Rothchild & Co.,** 52 Wall Street, New York 5, N. Y.

Seaboard Railway Company—Complete arbitrage proposition on request—**Sutro Bros. & Co.,** 120 Broadway, New York 5, N. Y.

Stromberg-Carlson — Descriptive circular—**J. F. Reilly & Co.,** 111 Broadway, New York 6, N. Y.

Struthers - Wells Corporation—Circular on interesting post-war possibilities—**Sills, Minton & Co., Inc.,** 209 South La Salle Street, Chicago 4, Ill.

Also available are current bulletins on **Chicago South Shore and South Bend Railroad, New Orleans, Texas & Mexico** issues, **St. Louis and San Francisco, Maryland Casualty** common, **Puget Sound Power and Light** common, **Chicago Railway Equipment Company, Leece Neville,** and **Soss Manufacturing Company.**

United Corporation — Current developments and discussion of further probable attractive exchange offers for preference—**Eisele & King, Libaire, Stout & Co.,** 50 Broadway, New York 4, New York.

Western Light & Telephone—Descriptive circular — **Buckley Brothers,** 1529 Walnut Street, Philadelphia 2, Pa.

Wilmington Chemical Corporation—Descriptive circular—**Hill, Thompson & Co., Inc.,** 120 Broadway, New York 5, N. Y.

Yuba Consolidated Gold Fields—Analytical discussion of possibilities for price enhancement—**Cartwright & Parmelee,** 70 Pine Street, New York 5, N. Y.

Tomorrow's Markets Walter Whyte Says—

(Continued from page 1376)

When a certain stock gets under or above a predetermined level I see various things. I'll venture to say that I won't get anybody to agree on what these things are or what they mean. But that is what makes stock markets.

A few weeks ago when the various statements of a change in margin rules hit the market you saw a decline. At that time I said that these feelers would draw blood. But the chances are that when, as and if, new Reserve requirements are put into effect the market will do comparatively little. Theory is that markets do not discount the same news twice.

Same thing isn't true of the war. There are too many ramifications of a sudden peace for the market to consider at one and the same time. There is Dumbarton Oaks, Bretton Woods, Yalta and now San Francisco to think about. If there was any unanimity about any of these the market would reflect it. But there isn't. So one day, or one week, prices act fine; the next they act the opposite.

Yet stops apparently take care of most of the ups and downs. They won't get you in at the bottom or get you out at the top. But they'll keep you from losing too much money and may even give you some to spend on something else than commissions.

* * *

Last week you were stopped out of a number of stocks. American Steel Foundries was bought at 28. You were stopped out at 29½. Gross profit was 1½ points. Baldwin Locomotive came in at 26. Stop at 28 was taken last week. Result: Gross profit 2 points. Crucible was acquired at 38. It was stopped at 42. Gross profit was 4 points.

Against these you bought Goodrich at 57½ with a stop of 56. Stop was taken, so you had a loss of 1½ points.

* * *

You still hold the following, most of which came in on Monday's break. Hudson Motors at 18, stop 16. Jones & Laughlin 29; stop 27. Phelps Dodge 27; stop 25, and U. S. Rubber 56 with a stop at 53.

Before the end of this week is over you may get stopped out of all of them with losses. But if you want profits you have to take your chances with losses. You can't have one without the other.

* * *

More next Thursday.

—Walter Whyte

[The views expressed in this article do not necessarily at any time coincide with those of the Chronicle. They are presented as those of the author only.]

Edgar O'Leary Joins C. A. Alberts Staff

Edgar J. O'Leary has become associated with C. A. Alberts & Co., 70 Wall Street, New York City, in their trading department. Mr. O'Leary was formerly a member of the New York Curb Exchange.

John W. Bronson Is Now Associated With John Dane

NEW ORLEANS, LA.—John W. Bronson has become connected with John Dane, Canal Bank Building, members of the New Orleans Stock Exchange. In the past Mr. Bronson was head of Bronson & Scranton, Inc., in New Orleans.

Wilson Now With Herrick Waddell

(Special to THE FINANCIAL CHRONICLE)

KANSAS CITY, MO.—James O. Wilson has become affiliated with Herrick, Waddell & Co., Inc., 1012 Baltimore Avenue. Mr. Wilson was formerly with John J. Seerley & Co., and in the past conducted his own investment business in Des Moines, Iowa.

LAMBORN & CO.
99 WALL STREET
NEW YORK 5, N. Y.

SUGAR

Exports—Imports—Futures

DIgby 4-2727

Established 1856

H. Hentz & Co.

Members
New York Stock Exchange
New York Curb Exchange
New York Cotton Exchange
Commodity Exchange, Inc.
Chicago Board of Trade
New Orleans Cotton Exchange
And other Exchanges

N. Y. Cotton Exchange Bldg.
NEW YORK 4, N. Y.

CHICAGO DETROIT PITTSBURGH
GENEVA, SWITZERLAND

Calendar Of New Security Flotations

NEW FILINGS

List of issues whose registration statements were filed less than twenty days ago, grouped according to dates on which registration statements will in normal course become effective, unless accelerated at the discretion of the SEC.

THURSDAY, MARCH 29

OHIO EDISON CO. on March 10 filed a registration statement for $26,089,000 first mortgage bonds due April 1, 1975. Interest rate will be filed by amendment.

Details—See issue of March 15.

Offering—The offering price will be filed by amendment.

Underwriters—Bonds will be offered for sale under the Commission's competitive bidding rule.

NEWCOR MINING & REFINING, LTD., on March 10 filed a registration statement for 500,000 shares of common stock without par value.

Details—See issue of March 15.

Offering—Price to the public is $1 per share.

Underwriters — Tellier & Co. is named principal underwriter.

FLINTKOTE CO. on March 10 filed a registration statement for 75,000 shares of $4 cumulative preferred stock (no par).

Details—See issue of March 15.

Offering—Price to the public will be filed by amendment.

Underwriters — Lehman Brothers heads an underwriting group of 28 members.

SATURDAY, MARCH 31

CONTINENTAL GIN CO. on March 12 filed a registration statement for 37,303 shares 4½% cumulative preferred stock (par $100).

Details—See issue of March 15.

Offering—Company is offering to holders of its 6% preferred stock the opportunity to exchange their shares for new shares, on a share for share basis. The offering will expire April 20, 1945. Company is offering to the holders of common stock the right to purchase at $105 per share any of the shares not required to be issued in connection with the exchange offer, the offering rights to expire May 25. Any unexchanged or unsubscribed shares will be sold by the underwriters to the public at $106 per share.

Underwriters—Clement A. Evans & Co., Inc.; Courts & Co.; Robinson-Humphrey Co.; Wyatt, Neal & Waggoner and Johnson, Lane, Space & Co., Inc., all of Atlanta, and Sterne, Agee & Leach and Garber, Cook & Hulsey, Inc., of Birmingham.

SECURITIES ACCEPTANCE CORP. on March 12 filed a registration statement for 50,000 shares of 5% cumulative preferred stock, Series A, $25 par.

Details—See issue of March 15.

Offering—The offering price to the public is $25.75 per share.

Underwriters — Cruttenden & Co., Chicago, and First Trust Co. of Lincoln, Neb., 25,000 shares each.

SOUTHWESTERN INVESTMENT CO. on March 12 filed a registration statement for 12,500 shares preferred stock, convertible, no par, non-participating with cumulative dividend rights of $1 per share per annum, and 60,000 shares of common, no par. Of the latter 20,000 shares is to be reserved to meet conversion requirements of the preferred.

Details—See issue of March 15.

Offering—Holders of the $1.20 preferred stock have been given the option to exchange their stock on a share for share basis for the $1 preferred stock. Any of the $1 preferred not issued in exchange will be offered to the public at $20 per share. Corporation also is offering 11,822 authorized but unissued shares of common at $12.50 per share.

Underwriters—None named.

UNIVIS LENS CO. on March 12 filed a registration statement for 42,702 common shares, (par 50 cents). Of the total 12,000 shares are being sold by the company and 30,702 shares are issued and being sold by stockholders.

Details—See issue of March 22.

Offering—The price to the public is $6.50 per share.

Underwriters — Allen & Co. is named principal underwriter.

TUESDAY, APRIL 3

THE HUB, HENRY C. LYTTON & CO. on March 15 filed a registration statement for 130,000 shares of common stock (par $1). Of the total 30,000 shares are being offered by certain stockholders.

Details—See issue of March 22.

Offering—The offering price to the public will be filed by amendment.

Underwriters—The principal underwriter is Allen & Co., with names of others to be filed by amendment.

GENERAL TIRE & RUBBER CO. on March 15 filed a registration statement for 75,000 shares 4¼% cumulative preferred stock, par $100 and 87,857 shares of common, par $5.

Details—See issue of March 22.

Offering—A total of 65,000 shares of preferred are being offered in exchange, share for share, for 4½% cumulative preferred stock; the remaining 10,000 shares and any unexchanged shares will be purchased by underwriters and offered to public at a price to be filed by amendment. Of the 87,857 common shares registered, 22,000 shares are being offered to certain officers and employees at $10 per share. The remaining 65,857 shares are being offered for subscription, at the rate of one share for eight shares held, to holders of outstanding common stock at a price to be filed by amendment. Unsubscribed shares will be purchased by the underwriters and sold to the public.

Underwriters—Among the underwriters are Kidder, Peabody & Co., Goldman, Sachs & Co., Lehman Brothers, The First Boston Corp., Ball, Burge & Kraus and the First Cleveland Corp. Lehman Brothers, First Boston Corp. and First Cleveland Corp. are named underwriters of preferred stock only.

WEDNESDAY, APRIL 4

CAROLINA POWER & LIGHT CO. on March 16 filed a registration statement for 156,158 shares of $5 preferred stock (no par).

Details—See issue of March 22.

Offering — The 156,158 shares of $5 preferred stock are to be offered, share for share in exchange for not more than 90% of the 93,553 shares of $7 preferred and 79,955 shares of $6 preferred now outstanding. All presently outstanding $7 and $6 preferred will be retired either by exchange or by redemption at $110 per share plus dividends to date of redemption. Company proposes to make a cash adjustment which, together with dividends receivable on the $5 preferred stock, will give each stockholder who exercises the exchange privilege a dividend at rate of $7 per share per annum or $6 per share per annum, respectively, up to redemption date of these stocks.

Underwriters—None named.

HYTRON RADIO & ELECTRONICS CORP. on March 16 filed a registration statement for 225,000 shares of common stock, par $1. Of total, 25,000 shares are issued and outstanding and being sold for certain stockholders.

Details—See issue of March 22.

Offering—Price to the public $5 per share.

Underwriters—Herrick, Waddell & Co., with names of others to be filed by amendment.

THURSDAY, APRIL 5

NEW YORK POWER & LIGHT CO. on March 17 filed a registration statement for $50,000,000 first mortgage bonds due March 1, 1975. Interest rate will be filed by amendment.

Details—See issue of March 22.

Offering—The offering price to the public will be filed by amendment.

Underwriters—The issue will be offered for sale under the Commission's competitive bidding rule and the names of the underwriters will be filed by amendment.

FOOD MACHINERY CORPORATION has filed a registration statement for 107,010 shares of common stock (par $10).

Address—San Jose, Cal.

Business—Manufacturer of food cleaning and packing machinery.

Offering—The new common stock will be offered to common stockholders of record April 6 in the ratio of one share for each four shares held. Subscription warrants expire on April 18. The price of the offering will be filed by amendment. Unsubscribed shares will be sold to underwriters for offering to the public at a price to be filed by amendment. Following the offering the company proposes to declare a stock dividend of 25% in common stock to common stock holders which will bring total stock then outstanding to 668,810 shares.

Proceeds—From proceeds of the offering the company plans to retire $3,700,000 of 3% sinking fund debentures, due December, 1945 to 1956 and for working capital.

Underwriters—Kidder, Peabody & Co. and Mitchum Tully & Co.

Registration Statement No. 2-5637. Form A-2 (3-17-45). Originally filed in San Francisco.

SATURDAY, APRIL 7

OAK MANUFACTURING CO. on March 19 filed a registration statement for $1,000,000 ten year 5% sinking fund debentures due April 1, 1955, and 350,000 shares common stock, par $1. Of the stock, 300,000 shares are issued and outstanding and being sold by certain stockholders.

Details—See issue of March 22.

Offering—The offering price of the debentures to the public is 100 and of the common stock $10 per share.

Underwriters—Paul H. Davis & Co., is named principal underwriter, with names of others to be filed by amendment.

KANSAS - NEBRASKA NATURAL GAS CO., INC., on March 19 filed a registration statement for $4,484,000 first mortgage sinking fund bonds, 3⅜% series due April 1, 1965.

Details—See issue of March 22.

Offering—Price to the public will be filed by amendment.

Underwriters—The underwriters are Central Republic Co., Inc.; Coffin & Burr, Inc.; A. C. Allyn & Co., Inc.; Kebbon, McCormick & Co.; Harold E. Wood & Co.; First Trust Co. of Lincoln, Neb.; Beecroft, Cole & Co., and Rauscher, Pierce & Co., Inc.

UNIVERSAL CAMERA CORP. has filed a registration statement for 663,500 shares Class A common stock, par value one cent a share, with Class A common stock purchase warrants. Of the total 530,500 are issued and outstanding and are being sold by certain stockholders.

Address—28 West 23rd Street, New York, N. Y.

Business—Manufacture of popular-priced still and motion picture cameras, etc.

Offering—The initial offering price is $5 per share. Of the 133,000 shares being offered for the account of the company, 20,000 are to be offered to employees at a price of $4.25 per share. Share not subscribed for by employees will be sold to the public through underwriters along with the rest of the public offering. For every ten shares of common stock bought, purchasers, other than employees, will receive warrants to subscribe to one share of common stock, at $5 per share, on or before Dec. 31, 1948. Employees will receive such warrants for each five shares of common stock purchased.

Proceeds—The company will apply proceeds for general corporate purposes.

Underwriters — Floyd D. Cerf Co. is named principal underwriter.

Registration Statement No. 2-5640. Form S-2. (3-19-45).

SUNDAY, APRIL 8

CENTRAL ILLINOIS ELECTRIC & GAS CO. has filed a registration statement for $14,000,000 first mortgage bonds due Feb. 1, 1975, and 30,000 shares of preferred stock, Series A (par $100).

Address—303 North Main Street, Rockford, Ill.

Business—Public utility.

Underwriters—The bonds and preferred stock will be offered for sale at competitive bidding and the names will be filed by amendment. The successful bidders will name the interest rate on the bonds and the dividend rate on the preferred stock.

Offering—Offering price to the public will be filed by amendment.

Proceeds — Of the proceeds $15,413,750 will be utilized to redeem $14,750,000 first mortgage 3¾% bonds at 104½ and $1,296,887 to the redemption of 3½% and 4% debentures. The company will also use, $1,000,000 to create a construction fund.

Registration Statement No. 2-5641. Form S-1. (3-20-45).

MONDAY, APRIL 9

MAY DEPARTMENT STORES CO. has filed a registration statement for 150,000 shares of cumulative preferred stock (no par). The dividend rate will be filed by amendment.

Address—St. Louis, Mo.

Business—Operation of seven department stores located in St. Louis, Cleveland, downtown Los Angeles, Akron, Baltimore, Denver and outlying shopping district of Los Angeles.

Offering—The initial offering price to the public will be filed by amendment.

Proceeds—The proceeds will be used for general corporate purposes. In due course, the company intends to effect the retirement, without premium, of indebtedness of the company and subsidiaries aggregating $4,060,600.

Underwriters—Goldman, Sachs & Co., and Lehman Brothers are principal underwriters, with others to be named by amendment.

Registration Statement No. 2-5642. Form A-2. (3-21-45).

TUESDAY, APRIL 10

CORNING GLASS WORKS has filed a registration statement for 50,000 shares of cumulative preferred stock (par $100), and an indeterminate number of common shares (par $5). The dividend rate on the preferred stock will be filed by amendment. The common shares are to be sold for the account of certain stockholders.

Address—Corning, N. Y.

Business—Manufacture of glass products.

Offering—The offering price of the preferred and common will be filed by amendment. A special meeting of stockholders will be held April 3 to vote on a proposed change in the capital structure. The progrom provides for the authorization of 100,000 shares of preferred stock ($100 par) and 3,000,000 shares of common (par $5). The preferred to be authorized includes the 50,000 shares registered. The present common stock, of which 658,877 shares ($10 par), are outstanding, will be split on a four-for-one basis so that 2,635,508 of the $5 par will be outstanding.

Proceeds—The net proceeds will be available for expenditures in connection with a program of modernizing and expanding manufacturing facilities and plants or for other corporate purposes.

Underwriters—The underwriting group is headed by Harriman Ripley & Co., Inc. and Lazard Freres & Co., with names of others to be filed by amendment.

Registration Statement No. 2-5643. Form A-2. (3-22-45).

WEDNESDAY, APRIL 11

REEVES-ELY LABORATORIES, INC., (formerly Reeves Sound Laboratories, Inc.) has filed a registration statement for 550,000 shares of 30-cent cumulative convertible preference stock ($4 par).

Address—62 West 47th Street, New York City.

Business—Company and its manufacturing subsidiaries are presently engaged in war production with combined sales of over $25,000,000 in 1944, with a larger volume of sales anticipated for 1945. Peacetime production consists of electronic devices, high frequency radio and communications equipment, transformers and electrical household appliances.

Offering—The offering price to the public will be filed by amendment.

Proceeds—The company intends to add approximately three-fifths of the net proceeds received from sale of stock to its own working capital and to advance the balance as working capital to its subsidiary, Hudson American Corp. The effect of the financing will be to give the company and its subsidiaries consolidated net working capital of over $1,400,000 and to eliminate the present deficiency in the company's working capital position, its current liabilities having exceeded its current assets by over $1,000,000 at Dec. 31, 1944, and a similar deficiency of Hudson American Corp. which amounted to nearly $500,000 at Dec. 31, 1944. The proposed advance to Hudson American according to the company's prospectus is for the purpose of giving that subsidiary a net working capital of $500,000, thus permitting it to pay dividends up to 50% of its net earnings in any fiscal year, on its stock held by Reeves-Ely and of freeing the latter from the prohibition against payment of dividends on its own stock.

Underwriters—H. M. Byllesby & Co., heads the underwriting group, with names of others to be supplied by amendment.

Registration Statement No. 2-5644. Form S-1. (3-23-45).

ANDERSON, CLAYTON & CO. has filed a registration statement for 250,000 shares of common stock (par $21.80). The shares are issued and outstanding and do not represent new financing.

Address — Cotton Exchange Building, Houston, Texas.

Business — Engaged primarily in merchandising, servicing and processing cotton and cottonseed.

Offering—The price to the public will be filed by amendment.

Proceeds—The shares are being offered by the M. D. Anderson Foundation, a charitable trust created by the late M. D. Anderson, which will receive the proceeds of the sale.

Underwriters — Morgan Stanley & Co.; Harriman Ripley & Co., Inc.; Merrill Lynch, Pierce, Fenner & Beane; Smith, Barney & Co.; Blyth & Co., Inc.; Clark, Dodge & Co.; First Boston Corp.; Goldman, Sachs & Co.; Hornblower & Weeks; Kidder, Peabody & Co.; Lehman Brothers; Drexel & Co.; Hemphill, Noyes & Co.; W. E. Hutton & Co.; Paine, Webber, Jackson & Curtis; Stone & Webster and Blodget, Inc.; Dean Witter & Co.; Dominick & Dominick; Equitable Securities Corp.; Alex. Brown & Sons; Stern Brothers & Co.; Wisconsin Co.; Lovett Abercrombie & Co.; Auchincloss, Parker & Redpath; Bacon, Whipple & Co.; Oscar Burnett & Co.; Courts & Co.; Dewar, Robertson & Pancoast; R. S. Dickson & So., Inc.; Francis I du Pont & Co.; Clement A. Evans & Co., Inc.; R. N. Eddleman & Co.; Folger, Nolan, Inc.; J. J. B. Hilliard & Son; Johnson, Lane, Space & Co., Inc.; McClung & Knickerbocker, Inc.; Mosle and Moreland, Inc.; Nashville Securities Co.; Neuhaus & Co.; Newhard, Cock & Co.; E. M. Newton & Co.; Rauscher, Pierce & Co.; Robinson-Humphrey Co.; George V. Rotan Co.; Starkweather & Co.; G. H. Walker & Co.; Chas. B. White & Co.; White, Hattier & Sanford and Whiting, Weeks & Stubbs.

Registration Statement No. 2-5645. Form A-2. (3-23-45).

ATLANTIC CO. has filed a registration statement for $10,600,000 5% sinking fund debentures, due April 1, 1980, and 275,000 shares of common stock (no par).

Address—106 Washington Street, Atlanta, Ga.

Business—Manufacture and sale of ice in communities located in the States of Georgia, Virginia, North Carolina, Tennessee, Florida, South Carolina and Alabama.

Offering—Under reorganization and recapitalization plan company is offering to the holders of outstanding 6% and 7½% cumulative preferred stocks the privilege of exchanging their shares on the basis of $100 par value of stock for $100 par value of 5% debentures and one share of common stock, and to holders of outstanding 6% Class A preference stock the privilege of exchanging their shares on the basis of $50 par value of stock for $50 par value of 5% debentures and two shares of common stock. The holders of the 6% preferred and 6% Class A stock offering their stock for exchange shall receive dividends on April 1, 1945, at the same rate of dividends paid on the stock on Jan. 1, 1945, but shall receive no dividends thereafter, the debentures bearing interest from such date. Any debentures not issued in exchange for stock shall then be offered to holders of presently outstanding first mortgage 5% sinking fund bonds on the basis of $100 par of debentures plus an amount to be determined by the company not exceeding $3 in cash for each $100 par value of bonds exchanged. The 5% sinking fund bonds are callable at 103. All of the outstanding 5% sinking fund bonds not exchanged for debentures and all of the first mortgage 3% serial bonds shall be called for redemption. The company contemplated that about June 1, 1945, it will issue not exceeding $3,400,000 3% notes and use the proceeds either for the purpose of calling all 3% serial bonds and the outstanding unexchanged 5% sinking fund bonds or to reimburse the company for funds previously used for that purpose. Any debentures not taken in exchange for stocks or bonds may be sold by the company at not less than par plus accrued interest. In the opinion of the management no such sale will be made, as it is believed substantially all of the debentures will be exchanged either for the company's stocks or bonds.

Purpose—To effect an exchange of debentures and common stock for outstanding preferred and Class A stock. Any preferred or Class A stock not exchanged for debentures under plan shall be called for redemption.

Underwriter—Courts & Co., Atlanta, is names as underwriter.

Registration Statement No. 2-5646. Form A-2. (3-23-45).

VIRGINIA ELECTRIC & POWER CO. has filed a registration statement for $33,000,000 first and refunding mortgage bonds Series E due March 1, 1975.

Amount of Offering Increased—In an amendment filed March 26 company increased amount to be offered to $59,000,000. The interest rate will be filed by amendment.

Address—7th & Franklin Streets, Richmond, Va.

Business—Public utility.

Underwriters—The bonds will be sold at competitive sale and the names of the underwriters filed by amendment.

Offering—The offering price to the public will be filed by amendment.

Proceeds—The proceeds, together with other funds of the company, will be used to redeem $37,500,000 first and refunding mortgage bonds, Series B, 3½s, due Sept. 1, 1968; $3,000,000 of Series C 3⅛s due 1971 and $23,000,000 series D 3s, due 1974.

Registration Statement No. 2-5647. Form S-1. (3-23-45).

SATURDAY, APRIL 14

KENDALL CO. has filed a registration statement for 40,000 shares of $4.50 cumulative preferred stock, Series A (no par).

Address—Walpole, Mass.

Business—Manufacturer of textiles and surgical dressings.

Offering—The offering price to the public will be filed by amendment.

Proceeds—The company expects to apply the net proceeds from the sale of preferred stock to the redemption on June 1, 1945, at $110 per share of the outstanding cumulative and participating preferred stock, Series A, requiring $3,227,730 exclusive of accrued dividends, and with other funds expected to be obtained, to the redemption of $4,500,000 of outstanding 3½% sinking fund debentures, due Sept. 1, 1957, and $1,000,000 of 2¾% serial notes due 1945-47. The company has entered into contracts for the private sale on or about June 1, 1945, of $3,600,000 of 3% sinking fund debentures due June 1, 1960, and $1,400,000 of 2½% serial notes due 1945-1952.

Underwriters — First Boston Corp. is named principal underwriter, with names of others to be filed by amendment.

Registration Statement No. 2-5648. Form A-2. (3-26-45).

DODGE & COX FUND has filed a registration statement for 25,000 beneficial shares.

Address—1708 Mills Tower, San Francisco, Calif.

Business—Investment company.

Underwriters—Dodge & Cox are named as trust managers.

Offering—At market.

Proceeds—For investment.

Registration Statement No. 2-5649. Form S-5. (3-26-45).

GRAYBAR ELECTRIC CO., INC., has filed a registration statement for 57,937 shares of capital stock (par $20).

Address—420 Lexington Avenue, New York City.

Business—Distribution of electrical apparatus and supplies.

Offering—The company is 100% employe owned. The 57,937 shares are to be offered to employes under a stock purchase plan dated May 1, 1945, at $20 per share. The last previous offering of shares to employes was under a plan dated April 1, 1940. The present plan is designed to permit employes and officers who have joined the company since Jan. 1, 1940, to become stockholders, and to permit those who are eligible to exercise additional subscription rights.

Proceeds—Proceeds will be added to general funds of the company, and part of the proceeds may be used for the acquisition of property.

Underwriters—None named.

Registration Statement No. 2-5650. Form S-2. (3-26-45).

GRAYBAR ELECTRIC CO., INC.—W. J. Drury, A. H. Nicoll, E. W. Shepard, G. F. Hessler and G. T. Marchmont as trustees under a voting trust agreement dated as of July 15, 1938, have filed a registration statement for voting trust certificates for 57,937 shares of common stock (par $20) of Graybar Electric Co., Inc.

Address—Address of company, 420 Lexington Avenue, New York City.

Business—See above.

Offering—See above.

Purpose—The registration of additional voting trust certificates was filed in connection with the proposed offering by the company of 57,937 shares of additional stock to employes at $20 per share under a stock purchase plan dated May 1, 1945.

Underwriters—None named.

Registration Statement No. 2-5651. Form F-1. (3-26-45).

DATES OF OFFERING UNDETERMINED

We present below a list of issues whose registration statements were filed twenty days or more ago, but whose offering dates have not been determined or are unknown to us.

AMERICAN ENGINEERING CO. on Feb. 27 filed a registration statement for $3,000,000 5% 15-year sinking fund debentures and 200,000 shares of common stock. Of the stock registered 132,000 shares are issued and outstanding and being sold by stockholders.

Details—See issue of March 8.

Offering—The debentures will be offered at 100 and the common stock at $8.50 per share

Underwriters—Van Alstyne, Noel & Co. heads the underwriting group, with the names of others to be supplied by amendment.

A. P. W. PRODUCTS CO., INC. on Jan. 27 filed a registration statement for $2,000,000 20-year 5% first mortgage sinking fund bonds and 40,000 shares of capital stock (par $5).

Details—See issue of Feb. 1, 1945.

Offering—Holders of outstanding $2,000,000 20-year 6% first mortgage sinking fund bonds due 1948 are given the privilege of tendering their bonds for redemption as of April 1, 1945 at 102½ and interest, or, in the alternative, to assent to an extension of the maturity date to April 1, 1965 and the reduction of interest to 5% per annum and to receive in consideration for such extension $25, the amount equivalent to the 2½% redemption premium, and in addition 20 shares of the company's ($5 par) common stock. The extension offer will expire at noon Feb. 26, 1945. Bonds not tendered for extension will be redeemed at 102½ and accrued interest to April 1, 1945. After the expiration of the extension offer, an amount equal to the unextended 6% bonds are to be offered to the public by the underwriters at the initial offering price of $1,000 "per unit" consisting of $1,000 20-year 5% first mortgage sinking fund bond and 20 shares of common stock.

Underwriters — Allen & Co., Bond & Goodwin, Inc., E. W. Clucas & Co., R. H. Johnson & Co., Schoellkopf, Hutton & Pomeroy, Inc., Buckley Brothers, George R. Cooley & Co., Inc., Brailsford & Co., and Ferris, Exnicios & Co.. Inc.

ARKANSAS-MISSOURI POWER CORP. on Dec. 4 filed a registration statement for $2,000,000 first mortgage bonds, series A, 3⅛%, due Dec. 1, 1974.

Details—See issue of Dec. 7, 1944.

Offering—The bonds will be offered for sale at competitive bidding.

AUTOMOBILE DEALERS INSURORS, INC. on Feb. 19 filed a registration statement for 4,985 shares of preferred stock and 7,470 shares of Class A common stock.

Details—See issue of Feb. 22.

Offering—Preferred and Class A common stock will be offered only to factory authorized automobile dealers and automobile finance men in blocks of one share of preferred and two shares of Class A common for $101 per unit.

Underwriters—None named.

BENDIX HELICOPTER, INC. on Feb. 2 filed a registration statement for 1,400,000 shares of capital stock, par value 50 cents.

Details—See issue of Feb. 8, 1945.

Offering—Of shares registered 1,000,000 are to be offered presently proportionately to holders of outstanding stock on basis of four additional shares for each five shares held at $1.60 per share; 200,000 shares are reserved to be issued when, as and if certain outstanding options are exercised, and 200,000 additional shares are reserved to be issued when, as and if certain stock option warrants to be issued by the corporation to the underwriters are exercised. Such shares of stock as are not subscribed for by the stockholders will be offered to the public by the underwriters at $2 per share.

Underwriters—Kobbe, Gearhart & Co., Inc., and Bond & Goodwin, Inc., are named principal underwriters.

BLUEFIELD SUPPLY CO on Feb. 16 filed a registration statement for 4,990 shares of common stock, par $100.

Details—See issue of Feb. 22.

Offering—The offering price $100 per share. New common is being offered to present stockholders on a pro rata basis of their holdings as of March 15, 1945.

Underwriters—None named.

CENTRAL OHIO LIGHT & POWER CO. on Dec. 28 filed a registration statement for 11,972 shares of preferred stock, cumulative ($100 par). The dividend rate will be filed by amendment.

Details—See issue of Jan. 4, 1945.

Offering—Company proposes to invite proposals for services to be rendered to it in obtaining acceptances of the exchange offer of new preferred stock for old preferred and for the purchase from it of such of the 11,972 shares as are not exchanged pursuant to the exchange offer.

CENTRAL VERMONT PUBLIC SERVICE CORP. on March 7 filed a registration statement for $6,967,000 first mortgage bonds, series D, due Feb. 1, 1975, and 40,000 shares of common stock. Interest rate will be filed by amendment.

Details—See issue of March 15.

Offering—Offering price to the public will be filed by amendment.

Underwriters—Bonds will be offered for sale at competitive bidding and the names of underwriters filed by amendment. Common stock will be sold to underwriters the names of whom will be filed by amendment.

DALLAS POWER & LIGHT Co. on March 7 filed a registration statement for 78,731 shares of preferred stock ($100 par). Dividend rate as filed by amendment 4½%.

Details—See issue of March 15.

Offering—Company proposes to offer one share of new preferred stock for each of the 78,731 outstanding preferred shares, of which 35,000 shares are 7% ($100 par) and 43,731 shares $6 preferred stock, with adjustment of dividends. Any shares not exchanged will be called for redemption. Funds for the redemption will be obtained by offering pro rata to holders of common stock additional shares of common at $60 per share in a sufficient amount to provide funds for the redemption of the unexchanged preferred. Electric Power & Light Corp., parent of Dallas, presently owns 238,875 out of a total of 262,500 shares of outstanding common stock and proposes to underwrite the sale of a sufficient number of common shares to provide funds for the redemption of the unexchanged preferred.

Underwriters—Kidder, Peabody & Co., dealer managers.

DIANA STORES CORP. on Feb. 5 filed a registration statement for 40,000 common stock purchase warrants and 40,000 shares of common stock par value $1 per share, issuable pursuant to these warrants.

Details—See issue of Feb. 15, 1945.

Offering—40,000 shares of common stock are issued and outstanding and are not offered for account of company. Company is offering 40,000 shares of common issuable upon the exercise of the stock purchase warrants and the payment of $7 per share.

Underwriters—Not named.

HALLICRAFTERS CO. on March 6 filed a registration statement for 225,000 shares of common stock, par $1. Of the total 75,000 are being sold by the company and 150,000 by certain stockholders.

Details—See issue of March 15.

Offering—Offering price to public is $8 per share.

Underwriters — Doyle, O'Connor & Co., Inc.; C. L. Schmidt & Co., Inc.; A. G. Edwards & Sons; Courts & Co.; Kalman & Co., Inc.; Dempsey & Co.; Sills, Minton & Co., Inc.; Cruttenden & Co., and Mason Brothers.

HAVERHILL ELECTRIC CO. on March 1 filed a registration statement for 26,000 shares of capital stock, par $25 per share.

Details—See issue of March 8.

Offering—The company is offering the 26,000 shares of new capital stock to present stockholders pro rata at $25 per share.

Underwriters—None named.

NORTHWESTERN LEATHER CO. on March 9 filed a registration statement for 17,000 $2.50 convertible preferred shares and 100,000 common shares, the latter including 61,338 common shares to be issued to existing shareholders in exchange for certain outstanding shares pursuant to plan of recapitalization.

Details—See issue of March 15.

Underwriters — First Boston Corp. is named principal underwriter.

OHIO WATER SERVICE CO. on Dec. 7 filed a registration statement for 80,880 shares of common stock, par $10. The shares are now outstanding and are being sold by Federal Water & Gas Corp.

Details—See issue of Dec. 14, 1944.

Underwriters—Otis & Co. are principal underwriters.

OLD STAR DISTILLING CORP. on Aug. 14, 1944 filed a registration statement for 5,000 shares of $100 preferred stock, non-cumulative and non-participating. Price to public will be $110 per share.

Details—See issue of Aug. 24, 1944.

Underwriters—No underwriter named.

RATH PACKING CO. on March 9 filed a registration statement for 200,000 shares of common stock, par $10.

Details—See issue of March 15.

Offering—Company offers to common stockholders the right to subscribe to the 200,000 shares of common at rate of one share of such common for each 3½ shares held. The subscription price will be filed by amendment. Shares not subscribed by stockholders will be offered to public by underwriters at a price to be filed by amendment.

Underwriters — Kidder, Peabody & Co. head the underwriting group.

ST. JOSEPH LIGHT & POWER CO. on Feb. 28 filed a registration statement for 13,056 shares of Class A 5% cumulative preferred stock, par $100.

Details—See issue of March 8.

Offering—The company is offering 13,056 shares of its Class A 5% preferred shares in conversion share for share of the outstanding 5% cumulative preferred shares held by others than Cities Service Power & Light Co.

Underwriters—The company has retained Estabrook & Co., G. H. Walker & Co. and Prescott, Wright, Snider Co. as exchange agents to secure and procure consents of preferred shareholders to the conversion.

The company also proposes to refund the $4,806,000 first mortgage bonds, 4½% series due 1947 and to reduce the aggregate principal amount of its indebtedness to $3,750,000 by redeeming the outstanding bonds and issuing $3,750,000 of new bonds. The bonds will be sold at competitive bidding.

E. H. SCOTT RADIO LABORATORIES, INC. on Feb. 28 filed a registration statement for 225,000 shares of common stock (par $1). Of total company will sell 148,150 shares and certain stockholders will sell 76,850 shares.

Offering—Stock will be offered at $3.125 per share.

Underwriters—Brailsford & Co. named principal underwriter.

SIMPLICITY PATTERN CO., INC., on March 7 filed a registration statement for 60,542 shares of 5½% cumulative, convertible preferred stock (par $10). Shares are issued and outstanding and are being offered by certain stockholders.

Details—See issue of March 15.

Offering—Offering price to the public is $10 per share.

Underwriters—First Colony Corp. 50,542 shares and Straus & Blosser 10,000 shares.

TEXAS ELECTRIC SERVICE CO. on March 2 filed a registration statement for $18,000,000 first mortgage bonds series due 1975 and 68,875 shares of preferred stock, par $100. The interest rate on bonds and dividend rate on preferred stock will be filed by amendment.

Details—See issue of March 8.

Offering—The company is offering to exchange the new preferred stock for outstanding $6 preferred stock on a share for share basis plus an amount in cash equal to the difference between $110 and the public offering price of the new preferred stock. The bonds and unexchanged shares will be sold at competitive bidding, with the price to the public to be filed by amendment.

Underwriters—The names will be filed by amendment.

WEST VIRGINIA WATER SERVICE CO. on March 5 filed a registration statement for 14,000 shares of $4.50 cumulative preferred stock and 100,000 shares of common. The preferred stock only represents a new issue.

Details—See issue of March 15.

Offering—Company will sell preferred stock to the underwriters who will offer same to holders of present $6 cumulative preferred at $104 per share. Any stock not subscribed by the stockholders will be offered to the public at $104 a share.

Offering price of common stock to the public will be $13.50 per share.

Underwriting—Allen & Co. and Shea & Co.

Ernest Blum Visits N. Y.

Ernest E. Blum, vice-president of Brush, Slocumb & Co., 1 Montgomery Street, San Francisco, California, has been visiting in New York. Mr. Blum who is returning to the Coast shortly has been staying at the Hotel Biltmore.

Edw. E. Brown Answers Criticisms Of International Monetary Fund

(Continued from first page)

business men find it pretty difficult to accept the idea that a borrower should have a right to borrow money.

"The traditional point of view of the banker, which is the one I am free to say I share, is that if money is to be loaned, that the person lending it should have the right to say whether it should be loaned at all, and if it is loaned, on what terms and conditions it should be loaned.

"If I could draw a fund agreement, a currency stabilization agreement, and provide that it was entirely within the discretion of the management of the fund to determine whether the money should be loaned and if I could get the other nations of the world to come in to such an agreement to put up resources in gold and their own currency, so that money could be loaned by the Fund, I would be in favor of doing it, but anybody who went over the record of the discussions with the various countries on the bilateral basis prior to Bretton Woods, and prior to the Atlantic City Conference, anybody who was present and heard at Atlantic City first and at Bretton Woods later, the various nations, the 44 of them represented there, expound their viewpoints, would be convinced, I think, as I was convinced, that it is hopeless to expect any considerable number of the nations of the world to go into such a mutual fund unless it is definitely understood that subject to various conditions and limitations, they have a right to use the resources of the Fund.

Automatic Loans Provision a Compromise

"Therefore, it being believed by the United States and by the other countries that a stabilization fund was desirable and more than desirable, that it was necessary, an agreement was worked out designed to compromise the difference between the point of view of an absolute right of a member of the Fund to borrow up to his quota and giving the Fund absolute discretion to refuse or grant credit. . . .

"The result is this long and rather complicated Agreement which provides that a country which permits certain conditions shall have the right to borrow up to its quota; that it can not borrow more than 25% in any one year; that it can not borrow except for the purpose of the Fund, and if the management of the Fund thinks that it is using its access to the Fund for purposes contrary to the Agreement, the Fund has a right to refuse further credit and cut off the access of the country to the resources of the Fund.

"The Agreement represented by the Fund Agreement, as I say, is a compromise agreement, and a compromise agreement which many of the countries thought was too restrictive to their rights of access to the Fund, and in my opinion, any proposition that a fund should be set up or that a bank should be set up with authority to make stabilization loans on which the entire discretion as to making or granting the loans would be left with the management of the Bank or the Fund, would have no chance of acceptance by many countries, including very large ones, such as Russia. I believe the United Kingdom and a good many smaller countries would probably come into such an agreement, but the agreement then would be ineffective because it would not embrace a sufficient number of countries of the world."

The Plan Not Premature

Turning to the criticism that the Fund is not practical until economic reconstruction is accomplished, Mr. Brown remarked that "the second objection generally urged by the more serious critics of the Fund, the more informed ones, is that no stabilization agreement can work until the world has settled down after the war, until we know where we stand as regards arrangements to prevent future war, until the economies of the Governments of the various countries have become politically stable, until the countries have reconstructed to a point where they can be expected to export a sufficient amount of goods to balance their current imports.

"Therefore, the argument is made that while it is all right to set up the Bank now, that any proposition intended to stabilize currency should be put off, probably for some years. . . .

"Well, again, as I said before, I happened to be in Central Europe at the time currencies were going to pieces after the last war; I happened to be in Mexico in the later stages of the revolution when money was worth a hundred thousand or two hundred thousand to one, and where various rebel generals would shoot you if you didn't accept it, but in spite of that, people would not accept it and a country which is in a situation where its people have not sufficient confidence in its currency to use it as a medium of exchange, where they have not any gold or silver which can be so used, where they are unwilling to make contracts running a few weeks or a few months in terms of that currency, it is impossible to get either political stability or any economic development at all.

"I think everybody agrees that a country which is engaged in war in its home area, which is engaged in civil war or in which any large percentage of the population is starving, can not be expected to stabilize its currency or use money borrowed from any agency except for the purpose of carrying on the war in its home area and relieving starvation, and putting down civil war.

"That was argued and spelled out at great length at Bretton Woods. . . . Everybody there accepted the proposition and there is a provision in the Agreement that the Fund shall not transact initial exchange transactions with any country whose condition in the opinion of the Fund is such that it can not use the money for the purpose of the Fund without endangering the interests of the other members.

"That language may be the language of diplomacy, but it was designed to take care of a situation of warfare in the home area, civil war and starvation.

"Unless some means is set up, either by an international agreement or by very lavish expenditures and at the risk of the United States alone, you are going to find very large areas of the world which cannot get started up, which cannot have a currency with any relative degree of stability, and that means one thing, either that such countries will fall into hopeless chaos or else they will adopt some form of totalitarianism, maybe Communism, maybe some form of state socialism akin to Nazism or Fascism, which we are fighting to destroy.

"To say that it is setting up an arrangement for stabilization of currencies and stabilization of currencies must await balanced currency and settled governments and exports equal to imports is to postpone all possibility of achieving any of those results, in my opinion, over most of the continent of Europe and other large portions of the world for a generation or more." . . .

Some Other Criticisms Answered

Mr. Brown next turned to other criticisms of the Fund. "There are criticisms," he said, "that the Fund does not tie all currencies to an absolute stability, which is an objection which is rarely advanced by informed people who feel that the very conditions of the world will make future changes in the par value of different currencies expressed in gold not only inevitable but necessary and desirable.

"And again, with the possible exception of the United States and South Africa, I doubt if there are any countries in the world who were willing to finally tie themselves up at this time to the gold standard, and I am not so sure that the United States would."

And he added further:

"The provisions respecting stability of the gold value represent compromises. They provide for orderly changes. The fact that they are being attacked in England and elsewhere, as to the Fund being too much of a gold standard and attacked here on the ground that it is too little makes me believe that it is probably as fair a compromise on that question as is possible."

His position on "scarce currency" was stated as follows: "The objection is frequently raised that under the Fund the dollar will become scarce currency, and then other countries can put up discriminations against the dollar.

"That objection is again one that is rarely urged by people who have studied and are experts on the question, because it is obvious that unless something is done with the dollar it will become scarce currency in very short order, and most if not all of the nations of the world will enforce discrimination against our currency.

"Again, complaints were made that provisos are not made for removing exchange controls quickly enough, and again the answer is that the condition of the world is such that exchange controls, just as a good many of our price and rationing controls, will have to last during the transition period after the end of the war, until the world economy can be restored to something like normal."

Francis J. Ryan Now With Stifel Nicolaus & Co.

(Special to The Financial Chronicle)

ST. LOUIS, MO.—Francis J. Ryan has become associated with Stifel, Nicolaus & Co., Inc., North Broadway, members of the St. Louis Stock Exchange. Mr. Ryan has recently been with the U. S. Army Air Corps. In the part he was with George F. Ryan & Co., and Taussig, Day & Co., Inc.

Singer Deane Scribner to Admit Chas. Patton

PITTSBURGH, PA.—Charles H. Patton will become a partner in Singer, Deane & Scribner, Union Trust Building, members of the New York and Pittsburgh Stock Exchanges, as of April 5. Mr. Patton for many years has been local manager for J. S. Bache & Co.

Karboski Heads Dept. at Syle & Company

John W. Karboski is now in charge of the Research Department of Syle and Company, 10 Rector Street, New York City. Mr. Karboski was formerly in the Research Department of H. Hentz & Co.

FOREIGN SECURITIES
MARKETS

Teletype
NY 1-971

Telephone
HAnover
2-0050

CARL MARKS & CO. INC.
FOREIGN SECURITIES
SPECIALISTS
50 Broad Street • New York 4, N.Y.
AFFILIATE: CARL MARKS & CO. Inc. CHICAGO

York Corrugating
Indiana Gas & Chem.
Cent. States P'r $7 P'f'd
Winters & Crampton
Cen. & S. W. Utls.
Pittsburgh Railways

Bought—Sold—Quoted

FIRST COLONY CORPORATION
Underwriters and Distributors of Investment Securities
70 Pine Street **New York 5**
Hanover 2-7793 *Teletype NY 1-2425*

Underwriters—
Secondary Market and
Wholesale Distributors

OVER-THE-COUNTER SECURITIES

Kobbé, Gearhart & Company
INCORPORATED
Members New York Security Dealers Association
45 NASSAU STREET, NEW YORK 5
TELEPHONE RECTOR 2-3600
PHILADELPHIA TELEPHONE ENTERPRISE 6015
BELL TELETYPE NEW YORK 1-576

"Our Reporter on Governments"

By JOHN T. CHIPPENDALE, JR.

Earlier this month the Treasury announced the restrictions as to buyers and the securities that would be offered in the coming War Loan, but decided that the maturities of these obligations would not be made public until the market had an opportunity to "settle a little." . . . Last Thursday Secretary of the Treasury Morgenthau disclosed plans to withhold maturities until the "last minute," and indicated that the new technique would set a precedent for future drives. . . .

Adoption of the new policy, Mr. Morgenthau stated, will insure a minimum of "switching" and speculation in Government securities which has resulted in large acquisitions by commercial banks and driven up bond prices. . . .

THE MARKET'S REACTION

A comparison of prices on March 3 and March 24 of the taxable bonds most likely to be affected by the new financing shows what has taken place in the Government bond market since it was decided to withhold the maturities of the issues to be sold in the next War Loan. . . . The table follows:

Security—	Closing Bid Price March 3	Closing Bid Price March 24	Change in 32nds
†2% due 6-15-1949-51	102.20	102.19	— 1
†2 due 9-15-1949-51	102.17	102.18	+ 1
†2 due 12-15-1949-51	102.16	102.18	+ 2
†2 due 3-15-1950-52	102.17	102.18	+ 1
†2 due 9-15-1950-52	102.14	102.18	+ 4
†2 due 9-15-1951-53	102.5	102.10	+ 5
†2 due 12-15-1951-55	102.4	102.11	+ 7
†2½ due 3-15-1952-54	105.6	105.15	+ 9
†2 due 6-15-1952-54	101.30	102.8	+10
†2¼ due 6-15-1952-55	103.9	103.23	+19
†2 due 12-15-1952-54	101.28	102.8	+12
2½ due 3-15-1956-58	105.4	105.19	+15
*2¼ due 9-15-1956-59	102.1	102.9	+ 8
*2½ due 6-15-1962-67	102.6	102.8	+ 2
*2½ due 12-15-1963-68	101.15	101.18	+ 3
*2½ due 6-15-1964-69	101.10	101.13	+ 3
*2½ due 12-15-1964-69	101.9	101.12	+ 3
*2½ due 3-15-1965-70	101.8	101.12	+ 4
*2½ due 3-15-1966-71	101.8	101.12	+ 4
2½ due 9-15-1967-72	101.28	102.16	+20

*Commercial bank ownership limited. †New all time highs, made between March 3 and March 24, 1945.

This compilation indicates that prices have moved up since the restrictions and the securities to be available in the drive were announced, and it is believed that the market has pretty well adjusted its position to the new financing without having the exact maturity dates. . . . The opinion is held in some quarters that a withholding of restrictions as to buyers in the coming drive would have been more effective than the withholding of maturities. . . .

INTERMEDIATES AND CERTIFICATES FAVORED

The statement of Secretary Morgenthau and the request of Allan Sproul, President of the Federal Reserve Bank of New York, last week, that the banks and non-bank investors heed closely the admonitions of the Treasury against speculative buying of securities, etc., resulted in higher prices for practically all of the taxable issues, with the intermediate-term 2s selling at new all-time highs and the 2½s of 1967/72 in demand. . . .

The Government recommendation that between drives investors properly make use of short-term securities such as Treasury bills and certificates of indebtedness as a temporary means of employment of cash balances pending reinvestment of such funds in War Loan obligations created a substantial demand for the certificates, which moved up the latter part of the week. . . .

CANADA AND UNITED STATES

Finance Minister Ilsley announced on March 22 that Canada's Eighth Victory Loan would get under way on April 23, and that a minimum goal of $1,350,000,000 had been set. The long-term issue will have a maturity of 18 years and five months, with the shorter security due in 4 years and 6 months. . . . A comparison of the rates and the issues to be offered in the War Loan Drives in the United States and Canada is as follows:

UNITED STATES SEVENTH WAR LOAN

	Indicated Price	Yield
*Short term, 1½% bond	100	1.50%
*Long term, 2¼% and 2½%	100	2.25% to 2.50%

*Maturities not yet announced by Treasury.

CANADA—EIGHTH WAR LOAN

	Indicated Price	Yield
Short term, 1¾% due Nov. 1, 1949	100	1.75%
Long term, 3% due Oct. 1, 1959-63	100	3.00%

INSURANCE COMPANIES ANTICIPATING DRIVE

It was learned that the insurance companies are still letting out some of their municipal bonds at current fancy prices. . . . Also, it was reported, that these institutions are allowing some of the corporate issues that are being refunded to be paid off, or are replacing them with smaller amounts than they previously held. . . . The monies realized from these transactions will be invested in the issues that will be offered in the Seventh War Loan. . . .

The funds obtained from the partially exempt bonds that have been sold by some of the insurance companies, at present high levels, have been reinvested in the restricted 2¼s and 2½s. . . .

SAVINGS BANKS' CASH MOUNTING

The substantial increase that took place in 1944, and has continued so far this year in savings deposits, means that savings banks will have more new funds available for the purchase of securities in the Seventh War Loan than in previous drives. . . . In order that those funds be kept out of the market until the drive issues are available, the Savings Bank Trust Co. is paying savings banks in New York State 2% on new deposits (1% on old deposits) left with them until the pay date of the War Loan Securities. . . .

This fine work beng done by the Savings Bank Trust Co. is an example of the cooperation the Treasury and the Federal Authorities have been receiving and will continue to receive from the banks. . . .

Eastern States, Pfd.
Pressurelube, Inc.
Ill. Power Div. Arrears
U. S. Radiator, Pfd.
Central of Georgia
Macon Northern 5's

W. T. BONN & CO.
120 Broadway New York 5
Telephone COrtlandt 7-0744
Bell Teletype NY 1-886

An
Attractive
Low Priced
Dividend Payer
Electronic Company
Common Stock
Report Available on Request
HUGHES & TREAT
40 Wall St., New York 5, N. Y.
Tel. BO 9-4613 Tele. NY 1-1448

Specializing in Unlisted Securities

BANK — INSURANCE
PUBLIC UTILITY — INDUSTRIAL — REAL ESTATE
LUMBER & TIMBER
BONDS, PREFERRED AND COMMON STOCKS

BOUGHT — SOLD — QUOTED

REMER, MITCHELL & REITZEL, INC.
208 So. La Salle St., Chicago 4
RANdolph 3736
WESTERN UNION TELEPRINTER "WUX"
BELL SYSTEM TELETYPE CG-989

New England Public Service
Preferreds
Majestic Radio
Continental Can 3¾% Pfd.
Dumont Laboratories
Cont'l-Diamond Fibre 4s, 1960

Foreign Securities
M. S. WIEN & CO.
Members N. Y. Security Dealers Ass'n
40 Exchange Pl., N. Y. 5 HA. 2-8780
Teletype N. Y. 1-1397

Keyes Fibre
Northern New England Co.
Schoellkopf,
Hutton & Pomeroy
Worcester Transportation Assoc.
Oceanic Trading
National Service Co.

RALPH F. CARR & CO.
BOSTON 9, MASS.
Boston Hubbard 6442
New York Hanover 2-7913
Teletype BS 328

We specialize in all
Insurance and Bank Stocks
Industrial Issues
Investment Trust Issues
Public Utility Stocks and Bonds
TEXTILE SECURITIES
Securities with a New Eng. Market

Frederick C. Adams & Co.
Specialists in
New England Unlisted Securities
24 FEDERAL STREET, BOSTON 10
Established In 1922
Tel. HANcock 8715 Tele. BOston 22

ADVERTISING
In All Its Branches
Plans Prepared—Conference Invited

Albert Frank - Guenther Law
Incorporated
131 Cedar Street New York 6, N.Y.
Telephone COrtlandt 7-5060
Boston Chicago Philadelphia San Francisco

INDEX

Page
Bank and Insurance Stocks........1384
Broker-Dealer Personnel Items.....1374
Calendar of New Security Flotations 1398
Canadian Securities 1386
Dealer - Broker Investment Recommendations and Literature.......1374
Municipal News and Notes.........1392
Mutual Funds 1390
NSTA Notes 1375
Our Reporter's Report.............1381
Our Reporter on Governments.....1400
Public Utility Securities...........1382
Railroad Securities 1378
Real Estate Securities.............1376
Securities Salesman's Corner.......1395
Tomorrow's Markets—Walter Whyte Says 1376

Wilmington Chemical
Corporation

Memo on Request.

Hill, Thompson & Co., Inc.
Markets and Situations for Dealers
120 Broadway, New York 5
Tel. REctor 2-2020 Tele. NY 1-2660

Final Edition ESTABLISHED OVER 100 YEARS In 2 Sections—Section 2

The Commercial and FINANCIAL CHRONICLE

Reg. U. S. Pat. Office

Volume 161 Number 4372 New York, N. Y., Thursday, March 29, 1945 Price 60 Cents a Copy

The Financial Situation

One fact is emerging with clarity and emphasis from what we must suppose to be the closing days of Hitler's Germany. That is that the Reich will be left with about as nearly no industry, no homes and no transportation or utility system as it is possible for a country of comparable size to be. There can be no question that the degree in which that country has been able to continue production and transport of war materials, and to nourish its civilian population during the past year is almost incredible. There is no reason to doubt that in a degreee never before conceived of German productive mechanism must have "gone underground." The capacity for quick repair of damage to essential "installations"—to employ a military term in a broader meaning—is plainly remarkable. But even when full allowance is made for all this and other similar phenomena, the fact remains quite clear and unmistakable from evidence daily spread on the pages of the press of the world that Germany is in ruins—horrible ruins—and most certainly will be even more so when the fighting finally ceases.

Vast Significance

To thoughtful men who have not permitted their emotions to get out of hand this situation is one fraught with vast significance. If we accept the economic philosophy so constantly expounded by some of the pseudo-economists of the New Deal menage, that economic welfare is measured by economic need, it would not be particularly difficult to arrive at the conclusion that Germany, by reason of her lack of almost every kind of economic good, has the brightest postwar outlook of any country in the world. Similarly it would be possible to develop a good deal of enthusiasm about the gains likely to accrue to us as a result of re-establishing the

(Continued on page 1404)

Is the Profit Motive Immoral?

By HON. FRED L. CRAWFORD*

U. S. Congressman from Michigan

Representative Crawford, Referring to Article Entitled "A Theory of Interest," by Alden A. Potter, in the "Chronicle," Calls Attention to the International Difficulties and Permanent Peace Possibilities Due to Conflicting Views of National Economists Regarding the Nature of Interest and the Morals of Profits. He Refutes the Keynesian Theory That "the Ideal State of Capital Development Calls for a Disappearance of the Rate of Interest" and Holds That "Without Profit and Interest on Investment There Can Be No Wealth."

F. L. Crawford

Our Government is today deeply involved in the future of the American system of freedom in competitive, private enterprise. The size of the direct interest-bearing Federal debt, and the return, or rate of interest, which shall govern original and refunding issues and private paper, all have a bearing on the number of people who will be employed and listed on private industry payrolls, as against those citizens who will have to be supported by checks issued by the Federal Treasury.

Not only are high officials of Government concerned about these matters, but all of the thinking portion of our adult population have questions in their minds as to what the future shall be as it relates to these problems. Economists, scientists, inventors, and others who contribute articles to leading magazines and publications which cover these fields are having their say. What is spoken over the radio and the statements which appear in newspapers and professional magazines and publications of various natures, help to broaden the public's knowledge of such questions and contribute to the better understanding of what occurs behind the scenes. Without such understanding it will be difficult to meet modern problems by changes that will not destroy the principles of competitive industry so essential to economic justice and freedom.

Among such contributions I find one on A Theory of Interest, in the "Commercial and Financial Chronicle" for Dec. 14, last year, which I feel calls for no little con-

---

*Extension of remarks by Representative Crawford in the House of Representatives, Feb. 27, 1945.

(Continued on page 1407)

"There Is Confidence In the Air"

By EMIL SCHRAM*

President of the New York Stock Exchange

Pleading That We Must All Share in the Struggle Against Complacency, Mr. Schram Asserts "There Is Confidence in the Air"; That the Country Has Immense Reservoirs of Capital; and That There Will Be Full Restoration of Peacetime Economy. Admits the Seeds of Inflation Have Been Sown, but Maintains the Danger Can Be Reduced by Going to the Roots of the Causes, and That the Government Should Take Steps Toward This End. Says the Stock Exchange Must Maintain an Orderly, Clean and Efficient Market With Values Based on Factual Information and That Those Unable or Unwilling to Judge Values or Take Risks Should Stay Out of the Market.

Emil Schram

In the short time I am going to allow myself, I propose to talk plainly about certain matters which are of the deepest concern to all of us. We are preoccupied with these matters to the exclusion of almost everything else. Manufacturer and banker, merchant and business men of all kinds grapple with them grimly, as hard-working individuals and as cooperating groups in a great democracy at war.

With evidence increasing in Europe and Asia that victory is approaching, business men, I find, have firm confidence that any additional requisitions upon their skills, ingenuity and physical capacity will be met successfully notwithstanding the pessimism that exists in some quarters.

Industry's confidence in its ability to hold up its end until our enemies succumb has grown out of long, harsh experience in the costliest war in history. But in the midst of intense preoccupation with current demands, another vital problem intrudes itself. Is industry's confidence equally as great with respect to its ability to convert itself, and all that depends upon it, back to peace?

This question looms large, in every stratum of our working society. Upon the answer will depend the well-being of millions of people, not only at home but abroad as well. Upon the answer will be charted the course of America's economy for many years to come.

The impact of this war has been felt by every family and every individual in the United States We have willingly given up our sons and daughters to the fighting forces in order that the menace of tyranny, oppression and conquest may be forever removed. As Americans and as fathers, we are interested:

First, in winning this war decisively and at the earliest possible date;

Second, in establishing the peace on such a basis that it will endure; in seeing to it that our posterity is not exposed to the horror of a world war every generation, as we have been;

Third, we are interested in seeing that the United States is cast in the role of a realistic creditor nation as we assist in the rehabilitation of world commerce and in the huge task of reconstruction which awaits us after the war has been won. On this basis alone can we look for a lasting peace.

I am not going to make any forecast as to when the Nazi and Japanese barbarians will be conquered, but all of us are feeling

(Continued on page 1407)

---

*An address made by Mr. Schram at a luncheon meeting of the Chamber of Commerce of the State of New York, New York City, March 1, 1945.

GENERAL CONTENTS

Editorial

Page
Financial Situation....................1401

Regular Features

From Washington Ahead of the News....................1401
Moody's Bond Prices and Yields....1412
Items About Banks and Trust Cos..1416
Trading on New York Exchanges...1413
NYSE Odd-Lot Trading..............1413
NYSE Short Interest at March 15..1403

State of Trade

General Review.........................1405
Commodity Prices, Domestic Index.1412
Weekly Carloadings....................1415
Weekly Engineering Construction...1413
Paperboard Industry Statistics......1415
Weekly Lumber Movement.........1415
Fertilizer Association Price Index...1414
Weekly Coal and Coke Output......1411
Weekly Steel Review...................1413
Moody's Daily Commodity Index....1412
Weekly Crude Oil Production.......1414
Non-Ferrous Metals Market........1414
Weekly Electric Output..............1412

From Washington Ahead of the News

By CARLISLE BARGERON

The most dangerous attitude prevailing among the bureaucrats of Washington today is that little or no attention is paid to the fact that regardless of what pursuits men may be engaged in, whether it be gambling, distilling, operating night clubs, filling stations or whatnot, they are trying to make a living for themselves and families. If one wants to get really realistic, we would suppose that perhaps 80 or 90% of our activities are unnecessary to essential living. For example, the animals make a living and their wives do not buy hats and fur coats. Before this war and its accompanying hysteria started, we were accustomed to read in the periodicals and other opportunities of learning that the women had come to control most of the wealth of the country because their husbands had worked hard and left their wealth to them.

Carlisle Bargeron

There has never been any doubt in our mind that we men could get by without ties, a coat or a vest; that we could, indeed, get by with a sarong, and on food which we could manage somehow to forage. The modern man, with the exceptions of those who are knockouts in bathing suits, has dreaded any such raiment as this. We can't all be Johnny Weissmullers, and the majority of us, certainly at middle age, are definitely not. Any suggestion that we do away with ties and other adornments to the masculine tie frightens us and reduces our manpower effort to the war. It reduces our manpower effort period. And inasmuch as everything is in terms of war these days, it reduces that effort to the war. Our guess is that naked soldiers would not fight heartily in the presence of WACS, and there are WACS in our home front presence.

We have gone into this subject at length with a view to showing that the overwhelming percentage of business in this country is admittedly what might be called nonsense but which from the vanities of either women or men has come to be definitely established in our society. Men have worked out their livings on this basis. The pursuit goes back to the bedrocks. We have not the slightest doubt but that many a man, turning fifty, has asked himself: What have I accomplished for mankind by the manufacturing of panties? What have I accomplished for mankind by the selling of beer and whiskey, the

(Continued on page 1406)

FDR Asks Congress to Authorize Further Tariff Reductions

Wants Right to Cut by One-Half Rates Already Reduced by 50% Below 1934 Level. Says Reducing of Trade Barriers Is Fundamental to Full Employment and Improvement of Living Standards. Calls for Renewal of Reciprocal Trade Agreements Act Expiring on June 1.

President Roosevelt

President Roosevelt, in a special message to Congress on March 26, requested that Congress, in authorizing an extension of the Reciprocal Trade Act of 1934 which expires June 1 grant the Executive the power to reduce further, by 50% the rates established in existing reciprocal trade agreements, which under existing law have already been cut one half below the levels laid down by the Hawley-Smoot Tariff Act. In asking for this authority, the President pointed out that it is but one of several steps proposed to remove existing trade barriers, and was a part of "the kit of tools" for post-war international cooperation. He stated that reduction of existing barriers to the expansion of international trade is fundamental to full employment and the improvement of living standards throughout the world, and he urged that to accomplish this "we move forward aggressively."

The text of the message as reported by the Associated Press follows:

To the Congress of the United States:

The coming victory of the United Nations means that they, and not their enemies, have power to establish the foundations of the future.

On April 25 their representatives will meet in San Francisco to draw up the charter for the general organization of the United Nations for security and peace. On this meeting and what comes after it our best hopes of a secure and peaceful world depend.

At the same time we know that we cannot succeed in building a peaceful world unless we build an economically healthy world. We are already taking decisive steps to this end. The efforts to improve currency relationships by the International Monetary Fund, to encourage international investments and make them more secure by the International Bank for Reconstruction and Development, to free the air for peaceful flight by the Chicago civil aviation arrangements, are part of that endeavor. So, too, is the proposed food and agriculture organization of the United Nations.

Secretary Hull Praised

We owe it to the vision of Secretary Hull that another of the essential measures we shall need to accomplish our objective has been tested and perfected by ten years of notably successful experience under his leadership. You are all familiar with the Trade Agreements Act, which has been on the books since 1934 and which on three occasions, since that time, the Congress has renewed. The present law expires in June of this year. I recommend that it again be renewed so that the great work which Secretary Hull began may be continued.

Under him the reciprocal trade agreement program represented a sustained effort to reduce the barriers which the nations of the world maintained against each others' trade. If the economic foundations of the peace are to be as secure as the political foundations, it is clear that this effort must be continued, vigorously and effectively.

Trade is fundamental to the prosperity of nations, as it is of individuals. All of us earn our living by producing for some market, and all of us buy in some market most of the things we need. We do better, both as producers and consumers, when the markets upon which we depend are as large and rich and various and competitive as possible. The same is true of nations.

We have not always understood this, in the United States or in any other country. We have tried often to protect some special interest by excluding strangers' goods from competition. In the long run everyone has suffered.

The Reciprocal Agreements

In 1934 this country started on a wiser course. We enacted into law a standing offer to reduce our tariff barriers against the goods of any country which would do the same for us. We have entered into reciprocal trade agreements with twenty-eight countries.

Each one of these agreements reduced some foreign barriers against the exports of this country, reduced our barriers against some products of the other party to the bargain and gave protection against discrimination by guaranteeing most-favored nation treatment to us both. Each agreement increased the freedom of business men in both countries to buy and sell across national frontiers. The agreements have contributed to prosperity and good feeling here and in the other contracting countries.

The record of how trade agreements expand two-way trade is set forth in the 1943 report of the Committee on Ways and Means. This record shows that between 1934-35 and 1938-39 our exports to trade-agreement countries increased by 63%, while our shipments to non-agreement countries increased by only 32%. Between these same periods our imports from agreement countries increased by 22%, as compared with only 12% from non-agreement countries. The disruptions and dislocations resulting from the war make later comparisons impossible.

The record published in 1943 is, nevertheless, as valid today as it was then. We know, without any doubt, that trade agreements build trade and that they will do so after the war as they did before. All sections of our population, labor, farmers, businessmen, have shared and will share in the benefits which increased trade brings.

Unfortunately, powerful forces operated against our efforts in the years after 1934. The most powerful were the steps of our present enemies to prepare themselves for the war they intended to let loose upon the warld. They did this by subjecting every part of their business life and especially their foreign trade to the principle of guns instead of butter. In the face of the economic warfare which they waged, and the fear and counter-measures which their conduct caused in other countries, the success of Secretary Hull and his inter-departmental associates in scaling down trade barriers is all the more remarkable.

Opportunity for Economic Cooperation

The coming total defeat of our enemies, and of the philosophy

(Continued on page 1408)

Station WOV Cannot Drop Seven Unneeded Musicians, WLB Rules

Thomas L. Norton, chairman of the regional office of the National War Labor Board, on March 21 announced that this office has denied the request of radio station WOV in New York City for an order reducing the quota of musicians to be hired according to its contract with the American Federation of Labor, Local 802, by ordering the station to keep on its payroll seven musicians which the latter said it did not need and who do no work.

In addition, the board unanimously ordered a 15% increase in the wage scales of these seven and five other musicians, retroactive for one year in accordance with the Little Steel Formula, since they have had no raise in pay since Jan. 1, 1941.

The station's counsel said he would petition the National War Labor Board in Washington, D. C., for a review of the regional board's decision.

The board's order, signed by Mr. Norton and Walter L. Gellhorn, vice-chairman, argued that the board had no authority to change the number of musicians required to be employed under the station's agreement with the union, and that that could only be done by voluntary arrangement by the two parties or by legislation.

FHA Prepares for Fuel Shortages Next Winter

The Federal Housing Administration in anticipation of short supplies of fuels during the winter months of 1945-46 on March 24 announced renewal for the third year of its "Summer Plan" for insured-financing of installations to conserve fuel through prevention of heat losses.

Under the plan, the first payment on FHA-insured loans made during the spring and summer for this purpose may be deferred until fall.

In announcing the renewal of the plan, FHA Commissioner Abner H. Ferguson said FHA is acting in cooperation with other Federal agencies charged with the responsibility for effecting the maximum conservation of heating fuels.

The FHA has notified the 5,000 private lending institutions authorized to operate under its Title I program that initial payments on loans made on and after April 2 may be deferred until Nov. 1, 1945, providing the entire proceeds are used for the application of insulation, storm sash, weather-stripping and other fuel conserving measures set forth in the Amendment to FHA Title I Regulations.

"The FHA's objective, in making this liberalization of its Title I loan terms, is to encourage home owners to undertake fuel conservation work during the warm weather season and thus prevent a heavy congestion of this type of work next fall," Mr. Ferguson said.

Home owners having funds available should undertake fuel conservation work on a cash basis, he added. The Title I plan, however, is available for assistance of those unable to pay for such work in one lump sum.

Under Title I, loans for heating conservation measures are available through lending institutions in amounts up to $2,500 and are payable in monthly installments over as long as 36 months. The Board of Governors of the Federal Reserve System has exempted loans for these purposes from its restrictions on consumer credit. Generally, installations of the type involved may be undertaken without authorization from the War Production Board.

Preparedness in Peace as Well as in War Urged by Alfred P. Sloan, Jr. in G-M Report

Alfred P. Sloan, Jr.

General Motors stands ready to do its part in support of any constructive and equitable plan of action that contemplates maintaining in peace as well as in war a high technical standard of defense equipment, Alfred P. Sloan, Jr., chairman of General Motors, declares in a statement released on March 25, in advance of his forthcoming annual report to stockholders. Mr. Sloan asserts in his report to stockholders:

"It has been well said time and again that we must win not only the war but the peace. The winning of the peace might be defined as the development of ways and means to insure over the years to come our economic, political and personal freedoms. The elimination of armed conflict is fundamental in such a concept. How successfully that objective can be accomplished we do not know, but we must strive with all our power to that end. If we are to face the realities and not take another chance on being caught 'too late with too little', we must learn from present experience and reverse our pre-war concept as to the importance of military preparedness.

"During the war the evolution of war products has involved progress in three fields: (1) continuous changes in design to facilitate production, reduce man-hours, save materials and lower costs; (2) continuous advance in technological standards to improve the quality of combat equipment; and (3) development of new military implements.

"In cooperation with military technicians, outstanding progress has been made and will continue to be made in each of these fields. After the war, if we are to win the peace, we must continue to move forward by maintaining for preparedness equally close liaison between the armed services and industry. This calls for unceasing application of the day-today developments of science and industry to the improvement of war materiel and methods of manufacture, so that American industry shall ever be ready to set in motion quickly, if needed, its vast powers of mass production for war with minimum changes in plant and machinery.

"Modern warfare on the material side is in a sense a conflict between opposing standards of technology. Technical superiority and quantity of war materials are both essential. But in general it may be said that technical superiority will go far in offsetting numerical quantity in almost all classes of military equipment.

"Pre-war, there was relatively little organized liaison between industry and our armed forces. The technical staffs of industry were little acquainted with military equipment. The various war products that were to be needed in great quantities and in record time had not been designed for manufacture on a mass production basis. As a nation in peacetime we had little interest in anything pertaining to war. Billions were made available for other purposes, but adequate resources for military preparedness were denied. The cost of the war, in human life and also in material values, might have been importantly reduced and the war shortened if we had been better prepared.

"With the war's end, public interest in war problems will diminish. Demands for the development and production of civilian goods and services will require an all-out effort. On the other hand, to translate the lessons of war into any advanced type of military apparatus, such as a tank for instance, is just as great if not a greater task than to design and produce a modern automobile. The money costs of such military development work are not large, relatively. The problem lies in stimulating and maintaining in peacetime the necessary program and in devoting the necessary technical effort to its accomplishment. Under the emotionalism of war, many things are possible that in peace become psychologically most difficult. Moreover, as time passes, the danger from inaction increases and the realization of the danger decreases."

President's Committee To Study Guaranteed Annual Wage

Eric Johnston, President of the Chamber of Commerce of the United States, announced on March 25 that the special committee, to conduct the inquiry to determine whether a guaranteed annual wage is feasible for all American wage-earners, which was requested by President Roosevelt, would hold its first meeting in Washington on March 26, according to United Press advices from that city on March 25, which added:

Mr. Johnston was appointed Chairman by O. Max Gardner, head of the Advisory Board to James F. Byrnes, Director of War Mobilization. Mr. Roosevelt authorized this board to undertake the study recommended by the War Labor Board.

The other committeemen are Philip Murray, President of the Congress of Industrial Organizations; Albert Goss, master of the National Grange, and Mrs. Anna Rosenberg, New York State War Manpower Director.

The first job of the committee will be the creation of a permanent staff and employment of economists to assemble facts. It will have at hand a Labor Department survey of 8,000,000 workers in unionized plants. This survey shows that only 42,500 of the employes are guaranteed annual pay and 30,000 of those are in consumer goods industries.

The demands for a guaranteed wage by the CIO's United Steel Workers, of which Mr. Murray is also President, led directly to the investigation. The WLB denied the demand in deciding the USW-CIO case against 86 steel companies but recommended that the President create an independent group to look into the subject on a national basis.

The WLB also told Mr. Roosevelt that labor's search for the security of a guaranteed wage was partly responsible for the intensive effort to break present wage stabilization policies, including the Little Steel Formula.

FIC Banks Place Debs.

A successful offering of an issue of debentures for the Federal Intermediate Credit Banks was concluded March 20 by Charles R. Dunn, New York, fiscal agent for the banks. The financing consisted of $25,475,000 0.90% consolidated debentures dated April 2, 1945, due Jan. 2, 1946. The issue was placed at par. Of the proceeds, together with $400.000 cash funds were used to retire $25.875,000 debentures due April 2, 1945. As of April 2, 1945, the total amount of debentures outstanding was $281,060,000.

Federal Reserve Board on Bretton Woods Ratification

Holds Plan Would Stabilize Exchange, Help Foreign Trade and Contribute to World Recovery. Urges a Provision for an Advisory Council to Guide U. S. Representatives on Fund and Bank to Interpret to Them Our International and Financial Policies.

The Board of Governors of the Federal Reserve System, on March 21, issued a formal statement announcing it is convinced "that the ratification of the Bretton Woods Agreements would be an important step in the restoration of World Trade and in safeguarding the interests of the United States in the post-war world." In addition to presenting arguments in support of the proposals, the "Board is strongly in favor of the addition of a provision for the establishment of a Council or a Committee to provide the necessary direction and guidance to the representatives of the United States in the governing bodies of the Fund and the Bank and to interpret to them the International Financial and Monetary Policies of the United States."

The full statement of the Board follows:

The Board of Governors of the Federal Reserve System is convinced that ratification of the Bretton Woods Agreements would be an important step in the restoration of world trade and in safeguarding the interests of the United States in the post-war world.

I.

Without the institutions proposed by these Agreements we would be confronted with disrupted currency conditions and with trade and exchange policies and practices which foreign countries might be forced to adopt in self-preservation but which would nevertheless have disorganizing effects on world trade. In rebuilding the machinery of international finance after the war it will be vital to avoid the recurrence of practices which developed after the first World War, and to eliminate abuses which were prevalent in international lending. Effective action in these fields would form a counterpart to essential programs of domestic reconstruction. The greatest contribution to international prosperity and stability that the United States can make is to maintain full employment and a rising standard of living at home. In order to establish international trade on a sound and enduring foundation, it must be based upon a balanced exchange of goods and services. On such a basis it will contribute an important steadying influence to our domestic economy.

The International Monetary and Financial Conference of representatives of 44 nations held last summer in Bretton Woods resulted in agreements for the creation of two new international financial institutions, the International Monetary Fund and the International Bank for Reconstruction and Development. The International Monetary Fund would exert an influence toward exchange stability and thus reduce the exchange risks for exporters and importers. It would require member countries to maintain established exchange rates and would provide machinery for making in an orderly manner by mutual agreement such changes in exchange rates as may be necessary. Members undertake to eliminate as soon as possible monetary practices which interfered with the flow of world trade before the war, such as discriminatory exchange restrictions, multiple currency arrangements, and bilteral clearing agreements. It would help to give assurance to member countries that the proceeds of sales to any country could be used for the purchase of goods in any other country.

For the purpose of assisting member countries in maintaining their exchange rates, once they have been established, without resorting to harmful restrictions on trade, the Fund would have resources in gold and various currencies which would be available for temporary use by members. It would afford member countries faced with heavy payments abroad a breathing spell during which to make necessary adjustments in their economies with a view to restoring equilibrium in their trade with the world. The Fund would not be in essence a lending institution but a mechanism for converting local currencies contributed by members into a pool of international reserves, on which each country could draw in proportion to its contribution. While temporary shortages of foreign exchange could be met through use of the Fund, members would be under pressure to restore the exchange to the Fund as soon as possible in order to maintain its ability to serve other members.

As a companion institution to the Fund, the Bank for Reconstruction and Development would be a lending institution to promote the international flow of long-term capital. It would make loans for productive and developmental purposes out of its own capital or out of funds borrowed in the market and would guarantee such loans offered to private investors. It is intended to make or guarantee such loans as would in the long run increase the borrower's ability to balance its international accounts. It would help to restore economies destroyed or disrupted by war, to reconvert their productive facilities to peacetime needs and to develop the resources of less developed countries.

The Bank would have a stabilizing influence on interest rates and other conditions for international loans and would tend to eliminate practices in international investment that have in the past resulted in excessive costs to borrowers and in losses to lenders. It would handle only loans that could not be obtained on reasonable terms without its support and would, therefore, in no way interfere with the flow of private funds into international investments. At the same time it would make it possible for countries greatly in need of foreign resources to obtain necessary capital which might not otherwise be available to them on reasonable terms. The agreement provides that loans made or guaranteed by the Bank must have the approval of the lending country. Consequently, the loans can and should be so timed as to diminish either inflationary or deflationary pressures and to contribute to the maintenance of economic stability in this country.

II.

From the point of view of the Board of Governors the establishment of the Fund and the Bank would be desirable because they would contribute to world recovery and to the maintenance of economic stability at a high level, which is the main objective of the Board's policy. The monetary and credit structure of this country is continually and seriously affected by international transactions. In the past this country's monetary authorities have had to meet difficult situations when our banking system was called upon to absorb an excessive amount of foreign funds arising out of surplus commodity exports and capital movements from foreign countries. The adoption of the proposed Agreements should help to moderate these disturbing influences.

III.

In connection with the enabling legislation now before Congress, the Board is strongly in favor of the addition of a provision for the establishment of a council or committee to provide the necessary direction and guidance to the representatives of the United States on the governing bodies of the Fund and the Bank and to interpret to them the international financial and monetary policies of the United States. Members of this council or committee should consist of the heads of the appropriate agencies of the Government to be designated by the President. It should be a small group, comprising not more than five members. Since the proposed institutions are to be permanent, it would be advisable to have the council provided by law rather than by executive order or informal arrangement. The council would not only advise the American governors and directors on the Fund and the Bank of its views with respect to the financial monetary policies of the United States but would also be authorized to act for the United States in matters which require approval under the agreements, except in cases in which the right to decide will be retained by Congress. Establishment of such a council would assure reasonable continuity in the interpretation of American International financial policy to this country's representatives on the Bank and the Fund. Provision for such a council in the enabling legislation would not call for any change or modification of the Articles of Agreement of the Fund or Bank.

NYSE Short Interest To March 15

The New York Stock Exchange announced on March 20, that the short interest as of the close of business on the March 15 settlement date, as compiled from information obtained by the New York Stock Exchange from its members and member firms, was 1,520,384 shares, compared with 1,582,647* shares on February 15, 1945, both totals excluding short positions carried in the odd-lot accounts of all odd-lot dealers. As of the March 15, 1945, settlement date, the total short interest in all odd-lot dealers' accounts was 42,927 shares, compared with 34,055 shares on February 15, 1945.

The Exchange's report added:

"Of the 1,257 individual stock issues listed on the Exchange on March 15, 1945, there were 65 issues in which a short interest of 5,000 or more shares existed, or in which a change in the short position of 2,000 or more shares occurred during the month."

In the following tabulation is shown the short interest existing at the close of the last business day for the last 12 months:

1944—	
Jan. 31	847,335
Feb. 28	960,617
Mar. 31	1,028,480
Apr. 29	1,090,581
May 31	1,181,293
June 30	1,287,970
July 31	1,327,641
Aug. 31	1,283,555
Sept. 29	1,275,709
Oct. 31	1,373,540
Nov. 30	1,436,271
Dec. 29	1,390,713
1945—	
Jan. 31	1,475,441
Feb. 15	1,582,647
Mar. 15	1,520,384

* Corrected figures.

Dean Gildersleeve Warns Not To Expect Millennium From San Francisco Conference

Dean Virginia Gildersleeve of Barnard College and an American delegate to the San Francisco Conference, at a dinner on March 22 given in her honor, warned not to expect the millennium from the forthcoming conference at San Francisco, said the New York "Times" of March 23, which gave other remarks of Dean Gildersleeve as follows:

Dean Gildersleeve

"The conference can only lay the foundations and design the machinery for future cooperation between nations."

Miss Gildersleeve thought that the American delegates to the ference felt greatly strengthened by the lifting of the world organization, which the conference will seek to establish, above party politics; by the agreement of the two main political parties on the general idea and on the Dumbarton Oaks proposals as a good foundation.

Miss Gildersleeve considered it important to make people understand that the conference will not be a peace conference in the old sense but will be called upon to draw a charter or constitution for the new world organization, the United Nations.

"It will not deal with boundaries, or the immediate treatment of the defeated enemy countries, or similar subjects," she stressed. "Those will be handled, as I understand, by a series of separate treaties or agreements winding up this war; or some of them may be dealt with later by appropriate agencies and procedures of the new world organization after it begins to function. At San Francisco we are to try to set up the framework for this new order. That will be a sufficiently large and difficult task. At San Francisco we shall be concerned first of all with security. It is primarily a security conference designed to set up machinery to avoid war."

Miss Gildersleeve stressed also the peculiar interest of women in the task of the conference and the specific contribution they can make to the realization of its aim.

She expressed the belief that women may find it easier to accept "the inevitable limitations upon our country's freedom of action required by any effective world organization."

Perhaps at some moment in the long process of achieving security women's profound instinct for conserving and developing life may markedly influence the course of history," Miss Gildersleeve added. "As through the months and years the United Nations develop their helpful cooperation in solving international economic, social and other humanitarian problems all women will certainly follow them with a very special interest, and many women will, I am sure, play an active part in the work."

Miss Gildersleeve also spoke of the intense interest being exhibited by the student youth of the land in the problems of international relations and the task of averting war, and expressed the hope that "something of the generosity of youth, its confidence in tackling the apparently impossible, its faith in the vision of a better world" would find expression at the conference.

Employment Dependent on Sound Tax Laws and Incentive for Venture Capital—Heimann Declares

Suggesting that the slogan "full employment of normal work week" be substituted for definite post-war employment figures such as those which are commonly bandied about, Henry H. Heimann, Executive Manager of the National Association of Credit Men, states in his Monthly Business Review released March 15 that no one knows whether full employment in the post-war period will involve 50 or 60,000,000 people. "The danger," he says, "is that if we speak of the employment of 60,000,000 people in the immediate postwar era instead of full employment at normal hours, business will be chargeable with a discrepancy as to whatever extent we fall short of the definite figures. Unfortunately too many people think of employment as being wholly confined to industry. This computation overlooks a large number employed in the fields of agriculture, public service, professions, service trades, etc. Industry was never more determined to discharge its employment responsibilities, but the possibilities of its doing so is dependent upon many factors beyond its control."

He named sound tax laws, proper incentive for venture capital and a better working arrangement between management and labor. He also pointed out that greater freedom for business operations would be conducive to better employment.

"No business man expects that tax rates can be drastically lowered," Mr. Heimann said, "for the debt structure of this nation is such as to necessitate a high tax rate, but business does hope that the burden will be equitably distributed and the tax structure will be such as not to destroy incentive."

Mr. Heimann reported that the National Association of Credit Men was seeking to bring about a further expansion of the par clearance of checks. Since checks constitute our principal form of currency they should be redeemed at par. At present most of the banks do clear their checks at par, the total number being 11,555 against 2,245 which do not clear their checks at par. On the volume of clearance the percentage is even greater since most of the non par banks are the smaller banking institutions. During the past year there has been a reduction of 84 in the non par list of banks. Distinguishing between non-par clearance and service charges, Mr. Heimann said:

"Credit executives not only do not object to service charges but they feel that banks must have earnings and that service charges are necessary, in these times, to provide banks with the necessary income to have a satisfactory earning. In one of the western States legislation has been introduced against service charges and while the credit executives throughout the country are on a determined campaign to effect the clearance of checks at par, they are not supporting any legislation that seeks to regulate the service charges of banks. Service charges are subject to free competition and, when excessive, correct themselves, whereas the levying of an exchange charge by not clearing a check at par amounts to a discount of our currency. The one, namely, bank service charges, is necessary and justifiable, while the discounting of checks, it is held by the credit fraternity, is unsound in economics and in principle."

The Financial Situation

(Continued from first page)

German economy — or at any rate taking a large part in such restoration.

But no sensible man will waste much time with such foolish ideas—even if some of the Washington day dreamers are applying precisely this line of reasoning, if not to the German situation, then certainly to that obtaining in a number of other countries in substantially the same situation as Germany—and, mutatis mutandi, to our own problems. We must not, however, for that reason suppose that this titanic destruction in Germany is of limited significance—and a matter for the Germans only to consider. If we do, we shall live to regret it.

First of all, it seems to us that for one thing revenge will have been inflicted in almost incredible degree before the war is over. Whatever the sins of the Fuehrer, and whatever the shortcomings, or worse, of the great rank and file of the German people, they have already been paid for dearly in blood and destruction. Punishment of proportions and of intensity far surpassing anything that any of us would have had the heart to inflict even upon Germany after "unconditional surrender" will have been meted out to her before the last shot is fired. Whatever else the winners of this war may determine to do in respect of a stricken and prostrate Germany should not be governed by any spirit of revenge.

A Helpless Germany

A second thought which we commend to our readers is this: No nation or people in the economic position of the Germans when this war is over can in the very nature of the case make good (within the length of time any of the peoples affected could be expected to wait) a tithe of the damage the Germans have inflicted upon virtually all of Europe. Whatever our impulses may be in the matter we must, if we are to be realists, to say nothing of being humanists, permit the German people in the post-war years to supply themselves with at least the minimum requirements of food, shelter and clothing. Else some other people or peoples will be obliged to do so—or run the risk of the development of chaos or worse in the very heart of Europe. A policy, by whatever name we may call it, by which the German people are forced into slow starvation and disintegration is no more feasible than that of simply shooting them down. This elementary truth must be borne in mind, and permitted its due weight when the fiendishness of German destruction is weighed against its restoration.

Another fact should be obvious. The situation as it will emerge in Germany at the end of this war is not an inviting field of foreign investment. We permitted ourselves to be convinced that the state of affairs obtaining in that country during the twenties constituted such an opportunity. We have now had an opportunity to learn how wrong we were then. The state of affairs which will follow this war will be much less inviting to any realist with funds to invest. This is, we fear, almost equally true of a number of the other countries against whom we have no ill will, but it is particularly true of Germany. This means among other things that whatever we feel disposed to do to relieve human suffering or even to restore economic systems in Europe should be scrutinized with great care, and unless there is good reason to believe what we are doing will in time bring normal economic returns, we had better not proceed on the basis of "loans" or the like, but by means of something akin to grants-in-aid. In other words, we may feel inclined to gloss over charity with inoffensive verbiage, but it should not carry the implication that return payments are expected — and least of all should we permit ourselves to expect them when there is not the slightest basis for such an expectation.

Destruction Elsewhere

In considering what has happened to Germany we must, of course, not forget the destruction that has been visited upon other parts of Europe — Holland, Belgium, England, parts of France, and vast areas in Russia. These areas of death and ruin will be restored only in the sweat of the brows of men and women working long hours—and in all probability years will elapse before the world, particularly that part of the world, can get back to the point it occupied when all this began in 1939. This is a time in world history perhaps less inviting than any other to the theories of economics of the day—which for the most part appear to be searching for a way to get something for nothing, or at the least to get much with working as little as may be. Most of the "reforms" of the day—social security, shorter hours, featherbedding work restrictions and all the rest of it—are at best luxuries which only those with substantial wealth and surplus production power can afford—if they can. It would be a "ghastly jest" indeed if these grim conditions throughout much of the world were to stimulate policies clearly and certainly best designed to prolong the difficulties and hardships of the day.

And, finally let us steel ourselves against that insidious doctrine which seems to bring some of us to the point of exuberant anticipation of the wealth we shall acquire restoring the destroyed economies of the world and in "industrializing" the remainder of the globe. We could profit—that is, in any direct economic sense—from the restoration of the destroyed countries of Europe or elsewhere only if those regions once restored could produce sufficient surplus to pay us for our work and our materials, and we can profit by industrializing the remainder of the world only if the resulting economy is able to produce the goods with which to pay us a return on what we have put into it. These requisites must at all time be kept constantly in mind.

Let us never forget that destruction is destruction—and not some sort of economic blessing in disguise.

By way of a post script it may, moreover, be suggested that what with the destruction in Germany and the "hard peace" planned for that country the projected revised League of Nations should have no great difficulty keeping Germany helpless.

N.A.S.S. To Hold Regional Conferences

In cooperation with the endeavors of ODT to limit civilian travel to a minimum, NASS directors recently cancelled their 1945 Spring Conference scheduled for Cleveland, Ohio, in May. In its place will be held seven Regional Conferences, followed by a "Convention by Mail." These meetings will be held about the first part of June.

The purpose of the Association is to provide industry a means of exchanging data on Employee Suggestion Systems and to assist firms with their Suggestion System problems. Heretofore the Association has held two National Conferences each year. The planned Regional meetings coupled with the "Convention by Mail" are intended to provide the membership with a thorough coverage on what has been accomplished by industry with Employee Suggestion Systems during the first half of 1945.

Following is a list of subjects assigned for specific discussion by the various Regional groups. Papers developed in these subjects by the Regional meetings will later be consolidated by the Association for the "Convention by Mail" distribution:

1. Building a Suggestion System
2. Anonymity
3. Eligibility
4. Awards
5. Problems
6. Publicity
7. Management Cooperation
8. Records
9. Procedure for Investigation
10. Procedure for Committee Action
11. Promotion of Employee Participation

President Asks Congress to Join World Food Body

Proposes Adoption of Plan Drawn Up by United Nations Conference at Hot Springs, Va. Holds World Food Organization Will Foster Cooperation in Food and Agriculture, and Will Not Interfere With Our Complete Freedom of Action in Determining Our Own Policies.

On March 26, President Roosevelt submitted to Congress a special message urging the enactment of legislation which would permit the United States to join the proposed world food and agriculture organization, as drawn up by the United Nations Conference on Fund and Agriculture at Hot Springs, Va., two years ago. The President pointed out that the plan "is in no sense a relief organization," and that its budget will be $2,500,000 in the first year, of which $625,000 is to be borne by the United States.

The full text of the message, as reported by the Associated Press, follows:

To the Congress of the United States:

I am sending herewith for the information and consideration of the Congress the first report to the governments of the United Nations by the interim commission on food and agriculture. Appended to this report is the constitution of the food and agriculture organization of the United Nations, which the United Nations Conference on Food and Agriculture at Hot Springs, Va., requested the interim commission to formulate and recommend.

The interim commission has done its work well. It has prepared a plan for a permanent international organization through which governments can pool and extend their knowledge and collaborate with each other in raising the standards of nutrition of their peoples and in establishing and maintaining an expanding prosperity for agriculture in all countries.

I recommend that the Congress authorize the acceptance of the constitution and the participation of the United States in the work of the food and agriculture organization.

The United Nations have already made much progress in setting up an organization for international security. But our collaboration for peace must be on a broader basis than security alone. We must strive to correct the conditions that predispose people toward war or make them the ready tools and victims of aggressors. We shall need also to work together as nations toward achieving freedom from want. Our participation in the food and agriculture organization will be an essential step in this collaboration.

The organization will seek its ends through the provision of international services in agriculture and nutrition which have heretofore been either lacking or inadequate. Among other things it will provide the means for bringing together from all parts of the world the results of research in all the fields of agriculture and nutrition and for disseminating ideas and advice on how the available information can be of greatest usefulness.

Improved standards of nutrition, increased levels of farm incomes, avoidance of agricultural surpluses—these are among the important objectives that the food and agriculture organization will assist the nations of the world in achieving. The organization will seek to better conditions in food and agriculture by fostering international cooperation in developing the optimum use of the resources of land, labor and science. One of its important jobs will be to help in improving the marketing of agricultural products throughout the world so that farmers can find good markets here and abroad and continue to produce as fully as is consistent with sound conservation practices.

The constitution of the organization provides that it shall include fisheries and forests within the scope of its work, and that in agriculture it shall cover both food and non-food products. The work of the food and agriculture organization will be primarily technical and advisory. Its staff will be small; its budget will be small, $2,500,000 for the first year—with $625,000 as the share to be borne by the United States—and about twice that amount in succeeding years. It is in no sense a relief organization.

In becoming a member of the food and agriculture organization, we will retain complete freedom of action in determining our national agricultural policies. Under its constitution, the organization will have no powers of direction or control over any nation. It will recommend agricultural policies and advise nations on their food and agricultural problems, but it will have no power to coerce or command. The constitution provides that all member nations shall have equal representation in the conference of the organization, each being entitled to one vote. Our responsibilities in joining the organization are of the same nature as those Congress has heretofore authorized in approving our participation in the Pan-American Union.

I therefore recommend that the Congress approve our active participation in the food and agriculture organization of the United Nations, in accordance with its proposed constitution as set forth in appendix I of the attached report, and authorize annual appropriations of our share of the budget of the organization.

FRANKLIN D. ROOSEVELT.

The White House, March 26, 1945.

Daniels to be White House Secretary

President Roosevelt said on March 24 that Jonathan Daniels will become the White House Secretary in charge of press relations, according to Associated Press advices from Washington on March 24, which added:

Mr. Roosevelt is asking Stephen Early, who held the press job for years, to stay on as a White House Secretary temporarily, pending the choice of a Secretary in charge of appointments. General E. M. Watson, who had the appointments assignment, died on the return trip from the Yalta conference.

Mr. Roosevelt said in a statement: "I hope to be able, by early June, to name a permanent Secretary in charge of appointments. At that time Steve will be free to enter private employment, in accordance with the wishes he has expressed to me."

Mr. Daniels, 42 years old, is a former Raleigh, N. C., newspaper man. He was in charge of press relations while Mr. Early undertook a press relations assignment to armies in France. He is a son of Josephus Daniels, former Cabinet officer.

William D. Hassett, who has been handling appointments since General Watson's death, now will return to his own secretaryship. He handles correspondence and research for the President, among other things.

The State of Trade

The home economy gave evidence this week of having reached the point where some action must be taken in the immediate future to save it from total disintegration brought on by over-emphasis of the war effort without due regard for that important factor so necessary for ultimate victory.

Shortages of civilian goods have been developing by leaps and bounds and are now at a serious stage and the prospects will probably grow worse through April, May and June. This tightening in the home supply situation poses a direct threat to our war effort, since workers soon will experience difficulty in obtaining such essential items such as tires, shoes and clothing, especially work clothing, so necessary in producing for war.

Much of the trouble goes back to the closing months of 1944 when the armed forces indulged in the practice of cutbacks and cancellation of war contracts encouraged by the thought that the close of the European war was not far off. The German counter-offensive in the early days of last December radically altered the picture and there followed a mad scramble to reinstate war contracts and to add greatly to them.

In so doing, industry was taxed beyond the limits of its capacity to produce by these sudden demands of the services and could not meet them. Much criticism of industry on the part of the military followed in their endeavor to shift responsibility for the poor supply situation. However, the lack of supplies was bad enough, but not content with proven methods for attaining maximum production with a minimum of lost motion through the medium of the Controlled Materials Plan, military directives entered the picture and threw the smooth working system of war production out of adjustment by nullifying the good results achieved by allotments and priorities. One official of the WPB speaking in favor of the CMP before an electrical manufacturers group admitted that the plan can only be saved by "something providential."

The root causes of these shortages rest heavily upon the head of government itself, since internal conditions within the government engendered by conflicting and overlapping authority have produced a situation out of which great confusion has sprung. Thus, rivalry and competition between the various administrative agencies has brought about such a chaotic state of affairs in our supply situation that tires, according to reports are months behind minimum needs for the lack of one ingredient, carbon black; shoe inventories are said to be about one-half of estimated needs, with 1945 production estimated at less than that of 1944; store and factory inventories too, reflect a marked decline and so it runs through the whole gamut of civilian requirements necessary to equip the home front for the job of greater war production to satisfy the demands of the European and Pacific war.

One encouraging note, however, looms in the rather gloomy situation and that is the recent report to the effect that the WPB has finally asserted itself on the question of civilian as against military control on the home front. It has been stated that in the future military demands will be "screened" more thoroughly, even to the extent of having the Army reveal its textile stockpiles, if that is possible.

In taking this stand it is felt the WPB intends to re-adopt the original pattern of apportioning available supplies through the Production Requirements Committee of the WPB, and thus assure civilians an adequate share of goods.

Steel Industry—There was no abatement the past week in the heavy influx of steel orders which has been apparent for some time. Some steel producers find that new business in the first half of March was running almost twice the volume of shipments. The trend of orders has resulted in a further increase in product carryovers to such an extent that those involving galvanized sheets constitute almost a full month's production. Adding to the woes of the steel industry, cancellations the past week were at the lowest point in many months, according to "The Iron Age," in its weekly summary of the steel trade. Galvanized sheet deliveries are now being promised for February and March of 1946, while cold rolled sheets exhibiting heavy carryovers are not available before September of this year. Because of this condition deliveries may soon be extended further into the future.

An analysis of some mill books, states "The Iron Age," shows sheet capacity so overloaded that schedules calling for April production are as much as 145% of theoretical maximum output. Additional sheet tonnage, much of it for landing mats, may raise the overload another 20% unless corrective measures are applied in May and June. So far advanced are sheet deliveries that mills report a reluctance on the part of customers to place orders. The point has now been reached where the WPB is reported to have stepped in to prevent bookings being placed too far into the future by withholdings allotments for the fourth quarter of 1945 and the first quarter of 1946.

Structural steel demand is exceptional with the volume of new business for this product mounting. Structural steel carryovers in many cases are presently running almost as heavy as a half a month's output. Reinforcing bar allocations for the second quarter, on the other hand, are exceptionally low as WPB has cut back sharply on allotments for this type of steel.

A summary of railroad car production slated for Russia, through the War Department, this year on which construction will start in July, embraces 5,000 56-ton flats; 500 40-ton dump cars; 400 40-ton tank cars and an additional 265 tank cars.

During the past week it was apparent that future production of rails, alloy bars, reinforcing bars and possibly some structural steel might be affected somewhat by an increase in April shell steel production. On the other hand, however, J. A. Krug, WPB head, told "The Iron Age" that Army and Navy requirements for the second quarter might be reduced as much as 200,000 tons. These returned allotments, Mr. Krug said, would be replaced by orders for railroad material, petroleum industry requirements, and steel for repairs. However, when and if these orders are scheduled, they will have to take their chance on the already tight and extended steel mill delivery setup.

The American Iron and Steel Institute announced last Tuesday that the operating rate of steel companies (including 94% of the industry) will be 96.6% of capacity for the week beginning March 26, compared with 96.9% one week ago. This week's operating rate represents a decline of 0.3 points from last week's rate, and is equivalent to 1,769,400 net tons of steel ingots and castings, compared to 1,774,900 net tons last week and 1,775,200 tons one year ago.

Electric Production—The Edison Electric Institute reports that the output of electricity decreased to approximately 4,397,529,000 kwh.

(Continued on page 1411)

New ABA Booklet on Home Loans To Vets.

Orders for more than 250,000 copies of "Home Loans to Veterans," received by the Advertising Department of the American Bankers Association in the first three weeks after its publication, reflect the desire of American banks to render a lasting service to returning veterans when they grant a home loan under provisions of the GI Bill of Rights. This booklet was prepared in cooperation with the Association's Committee on Service for War Veterans and the Legal Department for distribution by banks, and is designed to present facts about home loans in an orderly, simple, and easy-to-understand manner to aid the veteran.

A first printing was exhausted in the first week that "Home Loans to Veterans" became available and as a result of the demand for a quarter of a million copies already received, a second edition reflecting revised regulations is now being distributed. John B. Mack, Jr., Manager of the ABA Advertising Department, said that the booklet will be kept up to date by continuously incorporating into new editions changes as they occur in laws and regulations.

The booklet will be useful to individual veterans in supplying them with facts about home loans they may wish to make under the GI Bill, or to families and friends who wish to send information to some one still in the service. It is also being used by veterans' organizations in advising returning veterans.

Banks using the booklet are enabled to render a wider patriotic service in their communities. The booklet does not encourage reckless buying, but rather encourages the veteran to exercise care to make certain that his loan money buys a property representing full and lasting value. This attitude is helpful to the bank in building goodwill for the future and in developing sound new loan business.

The Advertising Department of the ABA recommends to banks that this information be widely distributed to the public. "Almost everybody," Mr. Mack said, "has some relative or close friend in the armed services who will welcome information about loans which can be made to veterans under the Servicemen's Readjustment Act of 1944."

Billion Dollar Increase In N. Y. Savings Bk. Deposits

A net gain of $90,766,087 in the deposits of New York State savings banks during February brought their total increase for the past 12 months to over a billion dollars, it was reported on March 21 by the Savings Banks Association of the State of New York for its 131 member institutions. The February gain, says the Association, was almost two and one-half times the growth in the corresponding month last year, and the increase for the 12 months ending Feb. 28, was $1,036.463,135. This was the first time in their history that New York savings banks gained as much as a billion dollars in one year. The Association added:

"Total deposits were $7,294,864,724 at the end of February. Open accounts showed a net gain of 34,546 for the month, bringing the total to 6,474,420. This was 197,653 more accounts than on Feb. 29 last year.

"New York State savings bank depositors are making steady progress, with increasing momentum, while at the same time buying their share of war bonds," said Myron S. Short, President of the Savings Banks Association. "Most of the increase in deposits is being invested by the banks in United States Government bonds."

SEC Exempts From Registration, Shares of Mining Corporations to Maximum of $100,000

The Securities and Exchange Commission announced on March 23 the adoption of a new simplified form, Form S-11, for the registration of shares of exploratory mining corporations under the Securities Act of 1933. The adoption of a new rule, Rule 240 under Section 3(b) of the Act, for the exemption from registration of assessable shares of mining corporations, to a maximum of $100,000 in one year, also was announced. The advices of the SEC state:

The form is for the use of mining corporations that have not engaged in active ore production and have no mining property developed beyond the exploratory stage. The use of the form is limited to corporations that have not been involved in recent successions and are without important subsidiaries. These limitations on the use of the form have permitted considerable simplification over previous forms. At the same time, it is believed that a large part of the registrants making primary mine securities offerings will be able to use the form.

The form also involves several innovations. It dispenses with the requirement for certifications of financial statements by independent accountants, since the type of corporation eligible to use the form will generally have had few important financial transactions. In addition, a booklet has been designed for use in connection with the form and to aid registrants in preparing registration statements. This booklet, designated as "Supplement to Form S-11 under the Securities Act of 1933," contains quotations of the various sections of the Act and the rules thereunder which are referred to in the form. It also contains a digest of certain views taken from the Commission's formal opinions which bear on problems which may arise under the Act in connection with primary mine financing. This compilation of applicable provisions of the Act, rules, and administrative decisions should greatly facilitate the preparation of registration statements on Form S-11.

The new Rule 240 is intended to provide an exemption from registration for offerings of assessable shares of mining corporations to a maximum of $100,000 in one year. The adoption of such a rule had been urged by various members of the mining field. Under the rule, a prospectus must be used in connection with the offering of assessable shares; and a statement of prescribed information must accompany each assessable notice.

The Commission benefited from the suggestions of various mining men, mining organizations, attorneys, accountants, and others who were furnished draft copies of the form and rule for review and criticism. Where the desirability of the registration form as a whole was commented upon, the reaction was almost entirely in favor of such a form. In the case of the rule, however, a number of objections were raised on the basis that such a rule was contrary to the public interest. In view of this problem, we are not without some misgivings in adopting the rule; and we therefore adopt it on a trial basis. If abuses develop under the rule to a point where it appears to the Commission that the public interest is adversely affected, action will be taken to rescind or modify the rule.

Copies of the form and booklet may be obtained by sending a request to the Publications Unit, Securities and Exchange Commission, Philadelphia 3, Pennsylvania. It is expected that they will be available by April 7, 1945.

Senators to Go to Europe to Make Intensive Survey of War-End Problems

An intensive survey of military operations and economic conditions in Europe, so as to be able to furnish first-hand information on war-end problems to the Senate, will be made next month by a half a dozen Senators, according to an Associated Press dispatch from Washington, on March 26, from which we have also taken the following regarding the survey:

The principal objective of the group, members said today, would be to find out what the Army intends to do with the billions of dollars' worth of equipment and supplies in Europe when the Germans' resistance collapses and the full weight of our war is shifted against the Japanese.

Tenative arrangements have been made for Senators Russell, Democrat of Georgia; Hill, Democrat of Alabama; Chandler, Democrat of Kentucky; Maybank, Democrat of South Carolina, and Bridges, Republican of New Hampshire, to make the trip. Traveling by Army transport, the group will start in about two weeks and be gone for almost a month. Senator Revercomb, Republican of West Virginia, may be added to the list or may replace Mr. Bridges if the latter is unable to go. Senator Pepper, Democrat of Florida, also wants to go along in the party.

Jointly, the group will represent the Appropriations, Military Affairs and Foreign Relations Committees.

Senator Hill told a reporter that it was his understanding the group will interest itself primarily in what the Army plans to do about the transferring of men, equipment and supplies from the European to the Pacific fronts when the Germans are beaten.

The War Department is on record that as much equipment and as large a volume of supplies as possible would be shipped to the Japanese fighting zone.

Mr. Hill said further that the group would endeavor to find out what equipment is suitable for the Pacific. It would inquire also, he said, into the relative merits of American and German tanks, planes, guns and other war materiel.

Complaints by soldiers that American tanks are inferior to the German armor in firepower, and in some other respects, have occupied the attention of the military committee in the past. The War Department has said that American tanks were the best for such tactical purposes as to which they were put.

The group, Senator Hill added, also will look into complaints that this country has lagged behind the Nazis in the production and battle use of jet-propulsion planes.

In addition, the Alabama Senator said the group probably would confer with British and French Government representatives on post-war economic needs and the plans of those countries.

Later the Senators will go into Germany to survey conditions. Committee members are hoping that by the time they get there Berlin itself will be in Allied hands. They expect to visit the Italian front, but have no plans to see the Russians in action.

Small Business Bank Credit Groups Climb to $500,000,000 Mark

Banking's new credit reservoirs—bank credit groups—already have set up supplementary sources of bank credit amounting to $500,000,000 for post-war small business enterprise, it was revealed on Mar. 26 by Robert M. Hanes, Chairman of Post-War Small Business Credit Commission of the American Bankers Association in a report to the banks of the country covering the progress of the Commission. Suggested by the Commission last July as part of a 5-point plan of action for meeting credit needs in the reconversion and post-war periods, bank credit groups have sprung up in 27 districts of the nation, according to the report. Many more such groups are now in the process of organization and it was estimated that the chartered banking system will provide a source of credit far in excess of $600,000,000 through credit groups.

Bank credit groups, Mr. Hanes explained, have been formed to implement and augment existing sources of credit when and where local banks believe such a need may develop. They signify a third credit source within the banking system, with local banks and correspondent banks providing the primary and secondary sources of credit. There has been no widespread demand as yet upon bank credit groups, it was declared, because the amount of loan demand which has existed has been met by the individual banks either alone or in cooperation with their correspondents in larger cities. Commenting on the bank credit group movement, Mr. Hanes declared that banking's action has fulfiled the pledge initiated last summer that "if the individual banks cannot grant the credit, the bankers pledge to stay with the applicant and see that he gets the money from some other bank or group of banks. American banking will see that small business lives and is given the opportunity to grow and prosper."

Reiterating the credit policy promulgated by the Commission, Mr. Hanes declared that "every competent man, firm or corporation in the United States that needs bank credit will get it if the money is to be used for some constructive purpose that will serve the private enterprise economy of this country."

Mr. Hanes asserted that these banks have put that policy into action in four additional ways: (1) applying the term loan to the needs of small business; (2) establishment of small business loan departments; (3) expansion of correspondent banking relationships, and (4) a program of education for banks and credit information for the public. Citing these results as proof of banking's unity, Mr. Hanes declared, "Banking has the ability and the desire to meet the credit needs of private enterprise in the post-war period —and to meet them without Government guarantee or Government insurance."

Stressing the performance of individual banks, the report revealed that many banks have established small business loan departments to see that the varied needs of this type of enterprise receive specialized and expert attention. Smaller banks have designated experienced officers to handle this work.

Much progress has been made in adapting the term loan principle to the needs of small business, the report announced. These loans, operating over periods of one to ten years, are tailor-made to fit the need of each particular enterprise. Encouraged by manuals, discussion groups and demonstration, banks of all sizes are making term loans in increasing numbers to small business enterprises. Other forms of specialized credit such as field warehousing, accounts receivable and various types of consumer credit have been stressed by spokesmen for the Commission.

As for the results in the correspondent banking system, the report reveals that there has taken place a revitalization of correspondent banking. Where a local bank cannot extend either all or part of the credit needed, it is encouraged to use its correspondent banks to see that the money is made available, or an attempt is made to make the application suitable for bank consideration, according to Mr. Hanes. Banks in the larger cities have held meetings and forums to explain the handling of lending procedure and have given country banks an opportunity to obtain information regarding the policies of correspondent banks and the scope of their services. These meetings have provided for the exchange of ideas regarding effective ways in which banks can work together for the benefit of the community and business enterprise.

Commenting on education and publicity, the fifth phase of the Commission's outline of action, Mr. Hanes declared, "The story of banking's credit policy and program, particularly its provision for the competent man, has caught the imagination of the American people as has not any other program sponsored by any group in recent years." It was revealed that the Commission enjoys the cooperation of leaders in industrial and merchants' associations, Chambers of Commerce, as well as organized small business.

Special post-war credit committees already have been appointed by 25 state associations and 30 states have some form of organized post-war Small Business Credit program, as the result of the Commission's education campaign, it was declared. State bank associations are carrying the Commission's credit program for small business to the grass roots through group meetings, county association gatherings and clearing house sessions.

Commenting on the report, Mr. Hanes declared that, "Free Americans in the post-war world will find that banking is ready to supply their credit needs, and thereby is ready to strengthen our system of individual enterprise, sparkplug of American democracy."

Franklin Inst. Makes Cresson Medal Awards

Selection of Stanford Caldwell Hooper, Rear Admiral, USN (retired), and Lewis F. Moody, of Princeton University, as winners of the Elliott Cresson Gold Medals in 1945 was announced on March 12 by Dr. Henry Butler Allen, secretary and director of The Franklin Institute, Philadelphia. Since the founding of the Cresson Medal in 1848, it has been awarded by the Institute "for discovery or original research, adding to the sum of human knowledge, irrespective of commercial value" to such scientists as Professor Madame Curie, Rudolf Diesel, Tolbert E. Lanston, Nikola Tesla, Tinius Olsen and Roger Adams. Admiral Hooper, received the award this year "in consideration of his pioneering leadership and practical utilization of discovery in the field of radio for the U. S. Navy."

Professor Moody's award is given this year "in consideration of the leading part he has taken in the design and development of hydraulic turbines and pumps, the many patents issued to him, which have been widely used in practice, due to improvements in efficiencies, higher speeds and better operating characteristics, and his valuable contributions to the theory of design in this field of engineering."

From Washington Ahead of The News

(Continued from first page)

operation of a night club, the selling of groceries, the running of a railroad train? The solace to this fellow has always been that he made a living for his family. All of these pursuits were recognized endeavors of American civilization. The pursuit of raising and supporting a family used to be recognized as a most laudable one.

Our Washington bureaucrats, an increasing number of whom have become irritated at the little woman, and who in the glittering of Washington have taken on another one, do not realize this. Just as the little pigs were destroyed in the early days of the New Deal, so they would now destroy men.

For example, the last people in the world for whom we would have any concern as to their right would be the night club operators. But, after all, those men have an investment in their establishments. It is the way they make a living and support families.

It has become quite clear that Jimmy Byrnes issued the edict crucifying them upon hearing a prediction from a columnist that that was what he was likely to do next, after his manpower decree. It so happens that the columnist has during the war brought his income up to $90,000 a year by urging that people "work, fight and give to make democracy live." Making democracy live under the circumstances he prescribed has been most profitable to him.

We have it on most reliable authority that Jimmy, upon hearing this broadcast, said in effect: "That's not a bad idea. Any man who can't get drunk before midnight should not be considered."

That same theory, of course, runs through the legislation pending in Congress and which has been enacted in New York State, providing that no worker can be discriminated against because of race, creed or color. The penalties provided in the pending National legislation and that already enacted in New York State, are based upon the philosophy that everybody else is without bias except the employer. This runs wholly counter, of course, to the agitation in recent years that the employer had brought into the country every nationality he could think of in order to get employees, which was a fact. The average employer trying to get some one to work for him to help him make money would never, circumstances being equal, stand back on any racial or religious bias. Yet the legislation assumes that he would.

The legislation overlooks also the fact that men have been elected to political office, have even been named to the Supreme Court BECAUSE they were of a certain religion or race.

Any one who has had any experience in politics knows that candidate slates are made up in States on the basis of a man's racial or religious background, according to the racial or religious composition of the State.

We shall never forget the agitation which went on in the pre-Pearl Harbor days against the automobile and steel industries because "they wouldn't reconvert for war." These industries had no Government orders or expressions of desire on which to reconvert. The agitation was directed at the "big industrialists." Yet there were thousands of smaller dealers all around the country trying to raise families who were affected. The attitude here is, and has been, to do something to somebody, if you are not on their side of the fence. It is a vicious system, and it is doubtful if anything more serious has existed in Germany. The effect over there may have been worse, not the intentions.

Bill Easing New York State Unemployment Tax Approved

Among the measures approved by the New York Legislature on March 24, closing day of the 1945 session, was a bill setting up a new formula governing the amount of unemployment insurance tax to be paid by employers in the State. Instead of the fixed 2.70% of annual payrolls that has been required, the new statute sets up a system of merit or experience rating in determining employers' contributions to the fund.

The measure, as passed, reportedly represented a compromise between the Young-Demo and Falk-Gugino bills that had been before the legislature for sometime. Neither of these measures could command sufficient support in both branches of the legislature, with the result that the so-called "harmonizing" measure was drafted and finally approved.

This measure is said to have been favored by Governor Thomas E. Dewey and is expected to receive his signature as soon as possible. Its adoption is viewed as constituting a victory for labor and, according to Albany press advices, the measure embodies most of the features of the labor-endorsed Falk-Gugino bill and little of the Young-Demo proposal which was apparently favored by business and industry in the State.

Aside from providing a graduated scale of payments by employers on the basis of various factors concerning stability of employment and volume of payrolls, the bill increases the maximum unemployment benefits to wage earners from the present figure of $18 a week to $21. It also reduces the waiting time for such benefits to begin from two weeks to one and extends the duration of the benefits from 20 to 26 weeks.

In discussing the measure in-sofar as it pertains to employers, an Albany dispatch of March 24 to the New York "Times" of the following day noted as follows:

Under the provisions of the "harmonizing" bill, which generally followed the lines of the Falk-Gugino measure, employers will receive rebates of unemployment insurance taxes amounting to about $80,000,000 in the fiscal year that starts July 1. These rebates will be graduated on the basis of stability of employment, taking into account the number of years that a firm has been in business, the changes in payroll volume quarter by quarter over the last three years and the changes in annual payroll volume.

The rebates will be given in the form of "credits" against payroll taxes due next year, but they will have the effect of reducing the effective tax for the current year. The use of the "credit" system will bar any rebates to companies that go out of business.

As the bill went to Governor Dewey, whose approval is regarded as certain, it would have the effect of reducing the effective unemployment taxes of employers with the most favorable experience from the 2.7% of covered payrolls provided by existing law to 1.6%. For others the effective rate would vary from 1.6% up to 2.7%, based on their experience.

ABA Survey Finds Consumer Credit Powerful Factor in Post-War Business

Consumer credit may become a powerful factor in American busines after the war ends by distributing the inflationary presure represented by the present large accumulation of savings over a term of "adjustment years," according to Walter B. French, Deputy Manager of the American Bankers Association, in charge of its Bank Management Commission, State Bank Division, Post-War Small Business Credit Commission, and Secretary of its Credit Policy Commission. Speaking before the Boston Chapter of the American Institute of Banking, Mr. French said that the Committee on Consumer Credit of the A. B. A., of which Carl M. Flora, vice-president of the First Wisconsin National Bank, Milwaukee, Wis., is chairman, has made a national survey as to what banks of the country plan in the consumer credit field when the war ends. "Ten thousand, six hundred and six banks located in every community in the U. S. reported that they are actively preparing to expand their services by making available adequate credit to their customers in the form of consumer instalment loans, either direct to the purchaser or indirect through dealers and suppliers, as soon as war needs relax sufficiently to allow resumption of manufacturing of civilian products," Mr. French said. Continuing, he said:

"Not all banks will make all types of consumer loans. For instance, 9,908 will make personal loans; 7,366 will make direct loans for time sales of equipment, and 6,543 will also make indirect loans for time sales; 8,950 banks will make direct loans to prospective automobile buyers, and 7,017 will also make indirect loans; 7,382 banks have indicated that they will be prepared to make direct loans for modernization of homes, and properties, and 3,057 banks will also make indirect loans through suppliers; 4,629 banks will make direct Federal Housing Administration Title I loans, and 2.843 will make indirect loans." These figures are a considerable expansion over present operations.

"Most banks have set up definite plans for the post-war era and are making proper preparations now to make consumer instalment loans just as soon as the market for consumer goods returns. Consumer credit may then become a powerful factor, a catalyst of production and employment, and the important key to the distribution bottleneck."

"The large potential production force that the war has shown to be ours might never be realized in peacetime without consumer credit playing an important role. The tendency to spend when the war (or part of it) is over," he continued, "will have the strength of powerful forces behind it. The psychology of replenishment following a period of sacrifice will be accelerated through the large accumulation of savings. The patriotism motive for limited spending, now so powerful, will have largely lost its effect. To aid banks in a maximum effort the Committee on Consumer Credit of the A. B. A. has under consideration the advisability of a national educational campaign to urge the conservation of savings immediately after the war through use of consumer credit as one means of lessening the trend towards inflation.

"The Committee on Consumer Credit already has prepared for distribution to banks material on various types of lending, including Airplane Financing, Analysis of Soldiers' and Sailors' Civil Relief Act of 1940—as amended, Bank Manual on Automobile Financing—Dealer Plan, Home Appliance Financing, Bank Manual on Personal Loans, Operating Cost Manual for Consumer Credit Departments of Banks, and Rebate of Instalment Loan Charges," Mr. French said.

"There Is Confidence In the Air"

(Continued from first page)

a great glow of hope just now as the might of our army, navy and air forces and that of our allies are being exerted with such devastating effect, both in Europe and in the Far East.

In bridging the gap between war and peace at the end of the European phase of the conflict, Mr. Roosevelt and Mr. Churchill have the leadership responsibility of keeping the people of the two great democratic countries war-minded and fight-conscious. We must all share in the struggle against complacency for we know that a great many people are complacent by nature. I fully realize the difficulties which confront our Government as we see the end of the war approaching. But the Government's difficulties are no greater than those which the masses of our people face.

We are now compelled, as never before, to address ourselves to the problems incident to peace. Our interests abroad, with the end of this war, will be entwined with our interests at home. Our foreign position can be no stronger than we are, as a nation, strong internally.

We can condense our general objectives into a few words:

Great production which shall quickly take up the slack when Government, which is now absorbing upwards of 40 per cent of factory and farm products, shall taper down its buying.

Adequate opportunities for employment for members of the armed forces when they return and of civilians currently employed in larger numbers than ever before in our history.

Maintenance of the credit of the United States government and, thus, the protection of the integrity of the American dollar.

An adequate national income without resort to artificial stimulation which I firmly believe to be unnecessary.

And, above everything else, we must see to it that these objectives are attained within the framework of our free enterprise system.

All branches of government, and particularly Congress, are interested in these vital objectives since they have to do with the well-being of every man, woman and child in this country.

Considering what is happening today, not only on the battlefronts but in our national legislature, I cannot understand how we can take anything but a confident attitude toward the future of this country. There is confidence in the air—

Confidence in the fact that we are going to conclude the war victoriously;

Confidence in the belief that our leaders, at the insistence of the masses, will secure and maintain the peace;

Confidence in the further belief that we will function as a true creditor nation on a practical basis;

Confidence in the business, industrial and legislative leadership of this country which is reasserting itself in the interest of our political and economic life;

Confidence, too, that this leadership will meet the problems of reconversation promptly and intelligently.

Confidence in recovery following the end of the war;

Confidence in the knowledge that there is no need for a revival of the spending-lending controversy.

As I see it, we are in a trend that marks a genuine revival of confidence in our institutions and what they symbolize.

Senator Walter George said to me, not long ago: "We went into this war a democracy, and we are going to come out of it a democracy." That statement means, as we all know, that though we have granted certain powers, we have not surrendered the means of taking them back. We have not put our necks into a noose.

Our industrial and commercial enterprises approach the end of this war with colors flying. They have made a magnificent production record. They have responded eagerly and patriotically to the enormous demands put upon them in this war. They have gained the respect of the public and the public will, in my judgment, protect them in the future from the demagogues in our midst who in the past used them as whipping boys. In the post-war period, the profit motive will have to be recognized as a necessary force. I make this statement unhesitatingly. In the face of our enormous Federal debt and budgetary requirements, adequate profits are essential to adequate Federal revenue and no false leaders can alter this fact.

The country has immense reservoirs of capital. This condition, in part, is the result of our vast governmental expenditures incident to the prosecution of the war. As a people we have saved. The country is wealthy. There may be superficial indications of wastefulness by our people, but the truth is that they have not dissipated their savings or their earnings. We hear much about extravagance on the part of persons with swollen war wages, but it is obvious that they are the exception rather than the rule.

Now a word about the fear of inflation. If the money factor, coupled with scarcity of goods, should threaten to undermine the integrity of our currency, we must be prepared to act boldly and courageously. As an exponent of sound money, I have no patience with a weak-kneed attitude toward this question which involves the success and happiness of our people. We all realize that the seeds of inflation have been sown. It makes no sense to suggest that restrictions be applied to those segments of our economy which merely register the apprehensions of our people. We must go to the root causes. It was, of course, inevitable that the Government, in the prosecution of a global war, would have to contribute to the inflationary potential; but the Government can also take steps to reduce the danger. But the approach should be realistic and should be directed toward the cause and not the symptom.

I am honored to be President of the New York Stock Exchange, the largest free market in the world. It is also the best regulated market in the world, and it is, thank God, a living symbol of our enterprise system. It is a market place where 1,256 issues of stock and 722 bond issues of our most successful enterprises are dealt in. We have been proud of the fact that it has weathered the storm throughout this war and it is a credit to our Government that there has been no interference with its free functioning. Where the totalitarian countries have suppressed their markets because of their dread that they would reflect the defeat which was in store for them, the American government has been courageous in keeping its markets open, being completely unafraid. Someone has said that when free markets vanish, all other freedoms vanish. I agree with that view.

The New York Stock Exchange has already adopted certain measures to prevent the misuse of its market facilities and, no doubt, will adopt other measures. In cooperation with the Securities and Exchange Commission and the Federal Reserve Board, it is prepared to meet its responsibilities.

I cannot attempt to make any appraisal of values or say whether securities are over-valued or under-valued in our market. Prices are established on the New York Stock Exchange by a world consensus; in other words, by the buying and selling orders of a multitude of persons. We must see to it that our market is orderly, clean and efficient. There is always a danger that the facilities of a free market may be misused, but we continually seek to prevent such misuse. Moreover, we are, day in and day out, emphasizing to the public and to our members and member firms the principle that securities should be bought and sold on the basis of factual information; that those who are unable or unwilling to judge values on that basis, or who cannot afford to take risks, should stay out of the market.

I go back now to my statement that we are in a confidence trend. It is natural that our people should wish to own property—War Bonds, farms, homes and an interest in our vast industrial capacity. Out of such a desire has sprung the greatness of this country. We must save and keep on saving. We must encourage the orderly creation of wealth. This applies, as never before in our history, for in servicing the foreseeable debt of this country, we must broaden the base of values from which our national income and, in turn, the revenue of our Government, is derived.

That is the picture as I see it. Large responsibilities from this point forward face the industrial and political leaders of this country. The challenge is clear.

Nation Saving More For Home Financing

The nation's increasing aggregate of private capital for home building and home ownership purposes is emphasized in the record inflow of savings and investments into thrift and home financing institutions this past year, the United States Savings and Loan League points out. Net savings receipts of $874,677,000 in 1944 set a new high in the memory of savings and loan and cooperative bank executives, W. M. Brock, Dayton, Ohio, President of the League, says. It represents a 42% increase over net receipts the previous year and is more than double the margin of new money over withdrawals for the year the war broke out in Europe.

Altogether, Mr. Brock indicates, the institutions had $1,993,347,000 of lendable funds last year, since the borrowers kept up their five-year record of increasing their loan repayments ahead of schedule and the money flowing back on monthly installments and extra payments reached $1,118,670,000 in 1944, 13% more than it had been the year before.

The savings picture was such last year that the savings and loan institutions, while selling $385,000,000 of war bonds to the public, still took in a larger proportion of savings in relation to normal withdrawals than they have since before the depression, the League President reported. For each $1 which a saver or investor took out of the institution, $1.85 was put in by either a new or seasoned investor. Last year the new money was $1.67 for each $1 withdrawn and in 1942 it was only $1.50.

The high payrolls and employment of war years plus the greater acquaintanceship of people generally with the 114-year-old thrift institution known as the savings and loan, or cooperative bank, generally account for the record figures being piled up.

Is the Profit Motive Immoral?

(Continued from first page)

sideration because of its positive questioning of the widely accepted views of Lord Keynes, of England, on savings and investment, including his approval of the doctrine that the ideal state of capital development calls for a disappearing rate of return, that is, of interest on capital investments and loans. Being well acquainted with the author of this article, I know the great amount of time and energy which he has devoted to study and discussion of these problems.

In submitting this study to the readers of the "Record" it seems worth while to dwell briefly on the relation of its argument to international difficulties and permanent peace possibilities, for nations to day can hardly be insulated from each other ideologically now that they cannot be isolated from each other geographically. We cannot afford to ignore the form of government which is established in other nations, however friendly we may feel toward them as a people and disposed to respect their right to choose their own political leaders. As plainly stated by the President in his recent message to Congress on the admittedly dubious Bretton Woods financial proposals, "international political relations will be friendly and constructive only if solutions are found to the difficult economic problems we face today." Political arrangements conceived in the isolation of nationalistic self-determination can be little more than power politics, attempting in vain to make right out of might. Nothing but disillusionment can await the organization of peace between nations who condemn each other's institutions as "bourgeois capitalism" and "totalitarian collectivism." International cooperation to promote trade can hardly be maintained for long between peoples who do and do not believe in private property and free, competitive enterprise.

Since the President has asserted that the cornerstone for international economic cooperation is in the field of monetary arrangements, it may be well to note how ancient man's money troubles are. The Greeks had long anticipated St. Paul's remark to Timothy that "the love of money is the root of all evil." Unfortunately, certain theologians have distorted this plain statement so as to condemn "greed" for wealth as the root of all evil; and even when the distinction between money and wealth is pointed out they cling to their notion by asserting that money may be involved in some evils but we need not worry about them if we but follow these vicars into a Utopia where there is abundance for all—freedom from want—because there is no greed and everyone is his brother's keeper. It is such inept misconstruction of biblical wisdom that has laid the groundwork for the familiar Russian rejection of religion as an "opiate of the people" calculated to lull the masses into a false assurance as to the generous impulses of their ruling class. Hence the Marxian idea of the inevitability of a class war.

The falsity of the Russian position is simply that of substituting their own Communistic Utopia for that of our misguided theologians. That Communism is just another pot full of illusions which is calling black our "bourgeois" kettle full of gold seems clear from recent revelations of the official teaching of Russia's economic ideology. We have had the translation of the article by Leontiev—and others see Teaching of Economics in the Soviet Union in the "American Economic Review" for September, 1944; also the Dunavevskaya criticism of this New Revision of Marxian Economics in the same number. Of even greater interest to Americans, however, is the presence in our own Office of Strategic Services of Paul A. Baran, educated in Moscow and Breslau as a specialist, I am informed, in Russian and German "planning," who in the current—December, 1944—issue of the "Review," raises his Russian eyebrows at the idea that there are "New trends in Russian economic thinking."

Comrade Baran explains that—

> The impossibility . . . of providing members of the Soviet society at its present stage of development with goods and services in quantities which would satisfy all their needs is not an economic law. It is a limitation resulting from a scarcity which may (and certainly will) be overcome in the future Communist society, but which has to prevail under conditions of only inadequately developed productive resources. The compulsion, furthermore, to keep the standard of living of the masses on a rather low level in order to be able to devote a considerable share of the national product to purposes of investment is another case in which it is misleading to speak of an economic law. It simply is a statement of the elementary physical fact that one cannot have one's cake and eat it too.

But is capital formed by saving, that is, by sacrifice of present for the sake of future consumption? Is this cake-eating alibi for the failure of Communism to live up to its promises valid? Capital is a speculative, not an accumulative, value, says Mr. Potter, whose paper is offered here for consideration. Costs, it is held, cannot determine economic value at all, much less in the class of capital values which must be computed, not by adding up the contributions of savers but by "capitalizing" the net productivity of investment, regardless of cost. It is not when consumption is deferred, but rather when it can be and is increased under the stimulus of the private-profit-and-loss motive, that capital can be and is formed. Without profit — interest on investment—there can be no wealth; and the competitive distribution of wealth to those whose energy and intelligence have created it is essential to stability of incentive in any human society.

Actuaries Cancel Meeting

Cancellation of the 1945 annual meeting of the Actuarial Society, scheduled to be held in May, was recently approved by the Council of the Society, Wilmer A. Jenkins, Secretary of the Society, has announced.

In 1943 one of the usual two meetings of the society was held, but in 1944 both meetings were cancelled at the request of the Office of Defense Transportation. The 1945 spring meeting was cancelled in compliance with the recent ODT order forbidding conventions, meetings, etc.

The presidents and two vice-presidents of the society serve, by custom, for two one-year terms. The present principal officers having taken office in 1942, they would have retired in 1944 according to this custom, but in absence of a meeting and election last year they were continued in office.

In view of the unprecedented situation due to the war the President of the society, J. B. Maclean, Vice-president and Actuary of the Mutual Life Insurance Company of New York, recommended to the Council that an election should now be held by mail. The Council approved the recommendation and a committee has been appointed to conduct the mail ballot.

FDR Asks Congress to Authorize Further Tariff Reductions

(Continued from page 1402)

of conflict and aggression which they have represented, gives us a new chance and a better chance than we have ever had to bring about conditions under which the nations of the world substitute cooperation and sound business principles for warfare in economic relations.

It is essential that we move forward aggressively and make the most of this opportunity. Business people in all countries want to know the rules under which the post-war world will operate. Industry today is working almost wholly on war orders, but once the victory is won, immediate decisions will have to be made as to what lines of peacetime production look most profitable for either old or new plants.

In this process of reconversion, decisions will necessarily be influenced by what businessmen foresee as Government policy. If it is clear that barriers to foreign trade are coming down all around the world, businessmen can and will direct production to the things that look most promising under those conditions. In that case a real and large, and permanent expansion of international trade becomes possible and likely.

But if the signs are otherwise, if it appears that no further loosening of barriers can be expected, everyone will act very differently. In that event we shall see built up in all countries new vested interests in a system of restrictions and we shall have lost our opportunity for the greater prosperity that expanding trade brings.

Asks Further Tariff Reductions

I have urged renewal of the Trade Agreements Act. In order to be fully effective the act needs to be strengthened at one important point. You will remember that, as passed in 1934, it authorized reductions in our tariff up to 50% of the rates then in effect. A good many of those reductions have been made, and those rates cannot be reduced further. Other reductions, smaller in amount, leave some remaining flexibility. In other cases, no reductions have been made at all, so that the full original authority remains.

You will realize that in negotiating agreements with any foreign country what we can accomplish depends on what both parties can contribute. In each of the agreements we have made, we have contributed reductions on products of special interest to the other party to the agreement and we have obtained commensurate contributions in the form of concessions on products of special interest to us.

As to those countries, much of our original authority under the act has been used up. We are left in this situation: Great Britain and Canada, our largest peacetime customers, still maintain certain high barriers against our exports, just as we still have high barriers against theirs. Under the act as it now stands we do not have enough to offer these countries to serve as a basis for the further concessions we want from them. The same situation confronts us, although in a lesser degree, in the case of the other countries with whom we have already made agreements. These include France, the Netherlands, Belgium, Turkey, Sweden, Switzerland and most of the American republics.

I therefore recommend that the 50% limit be brought up to date by an amendment that relates it to the rates of 1945 instead of 1934. Then we shall have the powers necessary to deal with all our friends on the basis of the existing situation.

The bill which the Chairman of the Ways and Means Committee has introduced in the House of Representatives, H.R.2652, would accomplish the objectives I have in mind and has my support.

Essential to Greater Exports

This legislation is essential to the substantial increase in our foreign trade which is necessary for full employment and improved standards of living. It means more exports and it also means more imports. For we cannot hope to maintain exports at the levels necessary to furnish the additional markets we need for agriculture and industry—income for the farmer and jobs for labor—unless we are willing to take payments in imports.

We must recognize, too, that we are now a creditor country and are destined to be so for some time to come. Unless we make it possible for Americans to buy goods and services widely and readily in the markets of the world, it will be impossible for other countries to pay what is owed us. It is also important to remember that imports mean much more than goods for ultimate consumers. They mean jobs and income at every stage of the processing and distribution channels through which the imports flow to the consumer.

By reducing our own tariff in conjunction with the reduction by other countries of their trade barriers, we create jobs, get more for our money and improve the standard of living of every American consumer.

This is no longer a question on which Republicans and Democrats should divide. The logic of events and our clear and pressing national interest must override our old party controversies. They must also override our sectional and special interests. We must all come to see that what is good for the United States is good for each of us, in economic affairs just as much as in any other.

We all know that the reduction of government-created barriers to trade will not solve all our trade problems. The field of trade has many fronts, and we must try to get forward on each of them as rapidly and as wisely as we can.

I shall continue, therefore, to explore the possibility also of reaching a common understanding with the friendly nations of the world on some of the other international trade problems that confront us.

Will Consult Congress on Trade Problems

The appropriate committees of the Congress will be fully consulted as that work progresses. The purpose of the whole effort is to eliminate economic warfare, to make practical international cooperation effective on as many fronts as possible, and so to lay the economic basis for the secure and peaceful world we all desire.

When this trade agreements legislation and the other legislation I have recommended to this Congress are adopted and when the general organization of the United Nations and their various special agencies including one on trade, have been created and are functioning, we shall have made a good beginning at creating a workable kit of tools for the new world of international cooperation to which we all look forward. We shall be equipped to deal with one great over-riding question of security and with the crucial questions of money and exchange international investment, trade, civil aviation, labor and agriculture.

As I said in my message of Feb. 12 on the Bretton Woods proposals:

"The point in history at which we stand is full of promise and of danger. The world will either move toward unity and widely shared prosperity or it will move apart into necessarily competing economic blocs. We have a chance, we citizens of the United States, to use our influence in favor of a more united and cooperating world. Whether we do so will determine, as far as it is in our power the kind if lives our grandchildren can live."

FDR Proclaims April Cancer Control Month

President Roosevelt on March 26 proclaimed April as Cancer Control Month and invited doctors, the press and all other agencies and persons interested in a national campaign for cancer control to "unite in a program for the dissemination of information about the early symptoms of cancer, clinics for early diagnosis, and other health facilities available for the control of cancer."

Associated Press advices from Washington on March 26 gave the text of the President's proclamation as follows:

"Whereas good physical health is a vital factor in building the sound and peaceful world to which we all ardently look forward; and

"Whereas the disease of cancer is one of the most important problems of physical health and welfare; and

"Whereas science has developed the essential diagnosis that can prevent a large part of the tragic waste and suffering caused by cancer; and

"Whereas every individual in his private capacity should avail himself of these known resources of early diagnosis and in his public capacity should lend all the support within his power to an active program of popular education in methods and means available for the control of this disease; and

"Whereas by public resolution 82, Seventy-fifth Congress, approved March 28, 1938 (52 sat. 148), the President is authorized and requested to issue annually a proclamation setting apart the month of April of each year as cancer control month:

"Now, therefore, I, Franklin D. Roosevelt, President of the United States of America, do hereby set apart the month of April, 1945, as cancer control month and do invite similar action on the part of the Governors of the several States, Territories, and possessions of the United States.

"I also invite the medical profession, the press, and all other agencies and individuals interested in a national campaign for the control of cancer to unite in a program for the dissemination of information about the early symptoms of cancer, clinics for early diagnosis, and other health facilities available for the control of cancer."

Two Week Easter Vacation For Members of House

Members of the House of Representatives received permission on March 23 to take a two weeks' Easter vacation, it was diclosed in the "Washington Post" of March 24, which also had the following to say about the arrangement:

Majority Leader McCormack (D., Mass.) said that while an official recess will not be taken, no legislative business will be transacted from March 28 to April 10.

Sessions will be held every three days during this period but only non-controversial matters will be considered.

Senators will have to keep working. Majority Leader Barkley (D., Ky.) has announced that regular sessions will continue, with the proposed Mexico-United States water treaty due for consideration.

President Requests Study of Annual Guaranteed Wage Plan Be Made

A study of the question of a proposed annual wage for American workers—the plan calling for a guaranteed schedule of wages—has been ordered by President Roosevelt, who in a letter to James F. Byrnes, Director of the Office of War Mobilization and Reconversion, has asked that such a study be made by Mr. Byrne's Advisory Board.

The President in his letter states that "the inquiry, recommended by the National War Labor Board, is closely connected with the problems of reconversion and the transition from a war economy to a peace economy." The recommendation, said the Associated Press, was made by the WLB that "the whole question of guaranteed wage plans and the possibility of their future development in American industries as an aid in the stabilization of employment and the regularization of production should now be comprehensively studied on a national scale." The Associated Press advices from Washington March 20, as given in the New York "Herald Tribune," also stated:

With his letter to Mr. Byrnes, Mr. Roosevelt released another he received Dec. 1 from William H. Davis, then Chairman of the WLB. The Davis letter noted that WLB had declined, in steel cases just concluded, to grant a demand of the Congress of Industrial Organizations' United Steelworkers of America for a guaranteed annual wage, but recommended a study by a special commission.

The WLB also sent to Mr. Roosevelt a report which said there appeared to be only 50 or 60 plans of this type in existence, although an undetermined number had been tried and discontinued. All but a few of the programs, it said, had been limited to consumer goods or retail trades, in which a relatively steady demand prevails.

"A guaranteed annual wage," the report asserted, "is one of the main aspirations of American workers."

Mr. Roosevelt told his press conference that this is something that he has been talking about for 10 years. He said Mr. Byrnes' Advisory Board would examine into the experience of industry and labor with guaranteed wage plans and would have available a considerable volume of material already amassed by the Labor Department.

An annual wage is simple for some industries, Mr. Roosevelt commented, but exceedingly difficult in others. It has been only lately, he added, that unions have become deeply interested in the question.

The President's letter to Mr. Byrnes follows:

"Dear Justice Byrnes:

"I enclose a copy of a letter addressed to me by the Chairman of the War Labor Board under date of Dec. 1, 1944, suggesting the appointment of a commission to inquire into the whole question of guaranteed wage plans, and a copy of a brief report submitted therewith explaining the reasons for the board's recommended action.

"The board's recommendations were:

"'1. That the whole question of guaranteed wage plans and the possibility of their future development in American industries as an aid in the stabilization of employment and the regularization of production should now be comprehensively studied on a national scale;

"'2. That such study should be conducted by a specially appointed commission charged with the duty of examining into the experience which industry and labor have thus far had with these plans, and of reporting the facts for the benefit of the country together with recommendations regarding any further steps in this direction which may seem practicable and desirable.

"'3. That such a body would be best able to perform its nationally important tasks if created independently of the War Labor Board by the President, and

"'4. That the President appoint a commission for these purposes.'

"The inquiry recommended by the National War Labor Board is closely connected with the problems of reconversion and the transition from a war economy to a peace economy. For that reason and in line with your suggestion, I think the advisory board appointed by me under Section 102 of the war mobilization and reconversion act of 1944 is particularly qualified and suited to undertake the recommended study. I wish, therefore, that you would ask the advisory board to undertake this inquiry and report its finding and recommendations to you and to me.

"The Secretary of Labor has made some investigation of this subject and I know she will gladly advise with the board.

"Sincerely yours,
"FRANKLIN D. ROOSEVELT."

Senate Approves Debt Limit of $300 Billion

The Senate on March 26 passed legislation to raise the national debt limit from $260,000,000,000 to $300,000,000,000 and sent the measure which had already been approved by the House to President Roosevelt. This action was reported in Associated Press advices from Washington on March 26, which also had the following to say about the legislation:

Passage of the bill was accompanied by a demand from Senator Robert A. Taft, Republican, of Ohio, for an immediate Administration survey of post-war financing. He said that post-war inflation can be stopped only by getting back to a balanced budget "just as quickly as possible." He declared that half of the departments "are demanding more money to spend to prevent depression" and the other half "are warning us against inflation."

In presenting the bill, Walter F George, Democrat, of Georgia, Chairman of the Finance Committee, expressed hope that an early end of the war in Europe will cut war spending and make possible the reduction of appropriations previously made and now held by the Treasury as unexpended balances.

W. K. Harrison Appointed

President Roosevelt on March 24 named Wallace K. Harrison, of Huntington, L. I., as Director of Inter-American Affairs, it was made known in an Associated Press dispatch from Washington on March 24, which also added:

Mr. Harrison has been acting executive officer of the agency since Nelson A. Rockefeller was named Assistant Secretary of State. His new post pays $10,000 a year.

Mr. Harrison will operate under the direction of the President and in accordance with the foreign policies as defined by the State Department and administered through the Assistant Secretary of State in charge of Inter-American Affairs, the office now held by Mr. Rockefeller. Thus, Mr. Rockefeller will keep a finger on the agency as far as policy-making goes.

In an executive order the President changed the name of the agency from the Office of Coordinator of Inter-American Affairs to simply the Office of Inter-American Affairs. Mr. Rockefeller was its first chief.

Need New Treaties to Guard Foreign Investments

Austin T. Foster, of National Foreign Trade Council Holds Existing Treaties Are Inadequate to Protect Against Expropriation and National Discrimination.

Protection of foreign trade operations by establishing a series of modernized treaties of friendship and commerce as a basis upon which the International Court of Justice proposed at Dumbarton Oaks could reach its decisions is proposed by Austin T. Foster, Chairman, Committee on Treaties of Friendship and Commerce of the National Foreign Trade Council, and counsel, Socony-Vacuum Oil Co., Inc.

The text of his proposal was distributed on March 26 in a bulletin to members of the Council. Existing treaties of friendship and commerce, the statement says, are now frequently inadequate in varying degrees because of the swiftness with which conditions have changed in recent years. The bulletin states that the views set forth are those of the Committee Chairman, and asks for comments from the general membership of the Council.

"The need for American investments in foreign countries is often stressed," Mr. Foster's statement says, "by representatives of foreign governments and by spokesmen for foreign business interests. Yet in many foreign countries the trend toward expropriation and nationalization of property by government and toward discriminatory practices favoring domestic enterprises has also been marked. Some countries, in certain industries and businesses, require participation of local capital and local management to a degree often excluding Americans and other foreigners.

"It is not to be expected if properties are to be expropriated or discriminatory practices followed that a program of American investments can be long maintained. It is suggested that treaties of friendship and commerce, in addition to giving assurance against uncompensated expropriation, might also define those industries in which governments may operate and in which nationals may be given any degree of preference so that investment plans in regard to other types of industry can be made and carried out by free private enterprise with some degree of security."

Discussing the range of business to which treaties of friendship and commerce are valuable, the statement points out that "when a foreign government takes action which seems unjust to a foreign trader, the latter is likely to find that he has no redress under the laws of the foreign country, and his last resort will be a treaty between that country and his own. The term 'foreign trader' applies to the smallest exporter or importer, to the largest corporation, and to all sizes of business in between.

"From the American viewpoint it is of vital importance to the expansion of foreign trade and international investment that the fullest possible measure of protection by treaty be afforded business men engaged in these international activities."

Attention is called in the statement to the Economic and Social Council and the International Court of Justice as two of the major bodies through which the international organization proposed at Dumbarton Oaks is designed to function. The opinion is expressed that the United States will in all likelihood join other nations in forming an association along lines laid down at Dumbarton Oaks.

One of the first services which the Economic and Social Council could profitably perform, the statement says, would be to recommend and encourage negotiations for a multilateral treaty of friendship and commerce.

President Stresses Giving to Red Cross; "Need Never Was Greater," He Says

In calling upon the American people "to oversubscribe the 1945 Red Cross War Fund," President Roosevelt stated on March 20 that "this year we give in necessity—necessity for our own." "The need," he said, "never was greater." The President's message stressing the urgency in giving to the Red Cross funds was broadcast from Washington; introduced by Basil O'Connor, Chairman of the Red Cross, the President said:

"There was a time when you and I gave to the Red Cross largely in a feeling of aid to others. That was a giving in humanity and in decency. This year we give in necessity—necessity for our own. The need never was greater. It will not soon be less.

"As your President I have never indulged myself or the American people in the pastime of predicting the advent of peace. I do not know when victory will come. I do know that tonight there are over seven and a half million Americans overseas or fighting afloat in this great war. I know that there are nearly 70,000 Americans in enemy prison camps. And I know there is nothing unpredictable about their need.

"We can be proud of all that the Red Cross has meant to them. From personal observation abroad I can testify to the usefulness of the Red Cross in the battle zones.

"It has reached through the barbed wire of enemy prison camps with millions of parcels of food and clothing and medical supplies.

"It has collected for the Army and Navy vast quantities of precious blood plasma which has saved thousands of American lives.

"It has supplied refreshment, entertainment and good cheer. It has served as a link between the fighting man and his loved ones here at home. Never, in the annals of voluntary service to humanity has an agency performed so many tasks so well.

"This is no call for charity. This is our chance to serve those who serve us.

"As their Commander in Chief I call upon you, my fellow Americans, to oversubscribe the 1945 Red Cross war fund. We cannot give too much to those who have given us the heroic hazard of their lives."

John Danaher Appointed "Congressional Aid" by Republican Nat'l Comm.

Herbert Brownell, Jr., Chairman of the Republican National Committee, announced on March 25 that John A. Danaher, former United States Senator, had been appointed the Committee's "Congressional aid," a post created by the Committee at its meeting on Jan. 22, said the New York "Herald Tribune" of March 26, from which the following has also been taken:

At the same time Mr. Brownell disclosed that plans for a permanent and continuous organization of the committee's activities have been prepared. These are to be submitted to the executive committee at a meeting in Washington Tuesday.

Mr. Brownell explained that the national committee was pointing its efforts toward the 1946 Congressional elections as "our important objective," stating that "we intend to offer to the members of the Senate and House every possible co-operation between now and the next election.

"We have created the post of Congressional aid," he said, "to the end that all efforts at the national level may be thoroughly co-ordinated. I am particularly gratified that former Senator Danaher has consented to assume the duties of this new post."

MBA Courses for Mortgage Lenders

The two first schools of adult education ever held in this country directed to studying the problems of mortgage lenders will be established this year by the Mortgage Bankers Association of America, according to an announcement on March 17 by L. E. Mahan, St. Louis, Association President. The first will be held at New York University, New York City, from June 4 to 8 under the direction of Dr. Paul A. McGee and will be devoted to problems of lenders on city real estate. The second will be held June 25 to 30 at Purdue University, Lafayette, Indiana, under the direction of Dr. E. L. Butz and Dr. E. C. Young and will be concerned with problems of farm mortgage lending. The New York course will consist of late afternoon and evening sessions, while the Purdue course will include morning sessions as well.

They are the first adult study courses ever offered mortgage bankers and represent the first step in a comprehensive program which the Association is planning preparatory to the extensive volume of mortgage lending expected in the post-war era. The principal part of the program, however, will be the eventual establishment of similar courses in other schools for young men who want to enter the field of financing of real estate, Mahan said. This development must of necessity wait until the veterans return home, he explained.

Both programs are planned and are being set up under the direction of the organization's educational committee which includes E. D. Schumacher, Memphis, General Chairman; Frank L. Wilkinson, Kansas City, Chairman of the city loan section, and J. D. Corley, Des Moines, Chairman of the farm loan section. Others are H. C. Peiker, Springfield, Mass.; C. Armel Nutter, Camden, N. J.; Edward D. Auer, Fort Wayne, Ind., and W. D. Davis, Kansas City.

Resigns As India Envoy

The resignation of William Phillips as personal representative of President Roosevelt to India, with the rank of Ambassador, was made known by the President on March 17. In Associated Press advices from Washington on that date it was stated:

Mr. Phillips was once criticized in some British quarters for his advocacy of independence for India in secret reports to President Roosevelt, but diplomatic officials said today that his resignation was without any political significance in itself.

The statement said he was going on retired status with the understanding that he can be called back to active service at any time the department or the President desired to give him an assignment.

He had not been in India for almost two years.

The present political representative of the United States at New Delhi is George R. Merrell, who has the personal rank of Minister.

No Agreement at Yalta on Aggression by Any of Three Powers Says Churchill

The statement that no action on aggression by any of the three great powers was taken at Yalta was attributed to Prime Minister Winston Churchill in the House of Commons on March 15, Associated Press accounts from London reporting him as having said in the House that "there was axiomatic truth" in a member's statement that under the Yalta agreement on world security "there is nothing at all" to deal with aggression by the great Powers. These press advices as given in the New York "Sun" also had the following to say:

Rhys Davies, a Laborite, drew the Prime Minister out with the observation that the new international organization agreed upon at Yalta envisaged action to prevent aggression by the smaller Powers.

"It is not clear that similar action could be invoked to prevent aggression by the great Powers," Davies added. "Are we not entitled to ask that our delegates at San Francisco will bear this important point in mind when discussing the problem?"

"No, sir," was Mr. Churchill's direct answer. "As far as we are concerned we made a perfectly voluntary agreement with other great Powers that were gathered at Yalta and that does prescribe for a differentiation between the treatment of the greatest Powers in these matters and of the smallest Powers.

"We may deplore, if we choose, that there is a difference between the great and small, between the strong and the weak in the world. There is undoubtedly such a difference and it would be foolish to upset the good arrangements proceeding on a broad front for the sake of trying to attain immediately to what is a hopeless ideal."

The Polish Government in London protested in notes to the British, United States and Chinese governments today against its commission from the San Francisco World Security Conference.

The Polish Government contended that it was the "sole legal and independent representatives of the Polish State" and "emphatically insist on their indisputable right to take part in the World Security Conference."

It was also noted in the press advices that the Prime Minister upheld "the Crimea conference's Polish settlement today as embodying "just and right" Soviet territorial claims, disclosed the Big Three had agreed to give Poland Danzig and upper Silesia, along with other territory, at German expense, and defended vigorously the good faith of Marshal Stalin and the Soviet regime."

The previous month (on Feb. 27) Mr. Churchill announced in the House that the three Powers were completely prepared for the collapse of Germany, declared that the proposed Polish frontier would not sow the seeds of future wars, and gave his personal assurance of Russia's good faith in plans for the peace. He also demanded a vote of confidence on the Crimea plans for a peaceful world, challenging in particular those who have criticized the Polish decisions.

Associated Press advices from which we quote, also said:

Opening a three-day debate on foreign policy, Mr. Churchill plunged right into a showdown with these critics. He declared his Government had a right to know where it stood in parliamentary opinion on the Yalta conference. He added: "A strong expression of support by the House will strengthen our position among our Allies." On the following day (Feb. 28) the Associated Press, London accounts said: The House of Commons by an overwhelming vote of 396 to 25 late today defeated a motion of protest against the Big Three's plan for the future of Poland.

The vote came after Foreign Secretary Anthony Eden declared the plan would make postwar Poland "as strong, or stronger," than in 1939, and after he denied vigorously that Britain had ever guaranteed Poland's prewar frontiers.

Mr. Eden took the floor to fight off a challenge by a rebellious, out-numbered Conservative group against full-fledged support of the Big Three's Crimea charter decisions.

An open bid for Russian participation in the war against Japan was voiced by Maj. G. E. P. Thorneycroft, Conservative, who said:

"We cannot compel the Russians to share the burden of that campaign, but if cooperation means anything, the greatest cooperation we could ask for would be that of Russia in that war."

Nations Selecting Delegates to 'Frisco Parley

On March 22 Prime Minister Churchill announced the members of the British delegation to the United Nations International Conference to be held at San Francisco, beginning April 25. The delegation is to be headed by Anthony Eden, Foreign Minister of Great Britain, and will include the Earl of Halifax, at present British Ambassador to the United States; Lord Cranborne, Dominions Secretary; Clement Atlee, Laborite Deputy Prime Minister; George Tomlinson, Parliamentary Secretary to the Ministry of Labor; Dingle Foot, Parliamentary Secretary to the Ministry of Economic Warfare and William Mabane, Parliamentary Secretary to the Food Ministry. In addition, two women were named: Ellen Wilkinson, veteran Labor party member of the House of Commons, and Florence Horsbrugh, Parliamentary Secretary to the Health Ministry. The make-up of the delegation comprises four Conservatives and three Labor party members.

The Belgian Council of Ministers announced on March 24 the composition of the Belgian delegation to the United Nations' conference at San Francisco, the Associated Press reported in a dispatch from Brussels. It will comprise Paul Henri Spaak, Foreign Minister and head of the delegation; Frans van Gauwelaert, President of the Chamber of Deputies; Albert Marteux, Minister of Health; Charles de Visscher, former Minister without portfolio; Victor de Lavalye, former Minister of Education; Fernand de Houve, First Secretary of the Ministry of Works; Fernand van Langenhove, Secretary General for Foreign Affairs, and Walter Loridan, First Secretary to M. Spaak.

From New Zealand, according to cable advices to the New York "Times" of March 24, it was announced that Prime Minister Peter Fraser, New Zealand High Commissioner in London William J. Jordan, and the Commonwealth's Minister to Washington Carl A. Berendsen will represent the Dominion at Empire talks in London before the San Francisco conference.

The Administration has not yet announced the representatives at San Francisco, but, it is stated that Mr. Fraser would lead the New Zealand delegation and Mr. Berendsen would also be a member.

Unprecedented Productive Activity in Canada in 1944 Reported by Bank of Montreal

More complete statistics now available from official sources confirm earlier pronouncements as to the unprecedented productive activity reached in 1944 in Canada, says the Bank of Montreal in its "Business Summary" issued Feb. 22, in which it states that "they show also that the downward trend which had been in evidence for some months during the year was checked in December when the index of the physical volume of business moved up from 227.9, the November figure, to 233.0. The full-year average was 236.8, as compared with 235.9 in 1943, and the national income increased from $8,724,000,000 to a tentative total of $9,186,000,000, exceeding all previous records." The Bank also has the following to say in part:

"The year ended on what the Dominion Bureau of Statistics calls 'an optimistic note.' The foreign trade of Canada, gold excluded, reached a value of $5,242,000,000 during the calendar year, a figure never before attained and exceeding that of the previous year by $506,000,000. Domestic exports were at a new maximum of $3,440,000,000, as compared with $2,971,000,000, while commodity imports advanced from $1,735,000,000 to $1,759,000,000, the largest purchases from any one country being from the United States.

"So far this year the upward trend of 1944 in the external trade of Canada has not been maintained, the January total of domestic merchandise exports having declined from $242,011,000 in January, 1944, to $230,498,000. There were increases in exports of meats, newsprint, fibres and textiles, planks and boards and motor vehicles and parts, but shipments of basic war materials during the month were down in value from $118,878,000 to $114,898,000. All exports to the United Kingdom and to the United States receded during the month, as compared with January last year, while exports to British India, Italy and some other countries were higher.

"The supreme efforts now being made by the Allies to force the Germans to unconditional surrender will necessitate heavy expenditures of munitions until this objective is accomplished and it is expected the demand for more shells, particularly of the heavy type needed to blast German fortifications, will keep Canadian shell plants busy for some months ahead. Arrangements to enlarge and speed up their operations have been so successful that the aggregate tonnage of shells produced in February promises to be larger than in any previous month, although some other months may have shown a larger numerical output of shells. The upward revision of the munitions program has been reflected in the primary iron and steel industries, in which there had been a certain recession of activity."

Costs Outstrip Productivity In Civilian Manufacturing

The tremendous rise in output per man hour and the sharp decline in unit labor costs in recent years in war industries have not been paralleled in civilian industry, where there were no significant gains and some declines in productivity while unit labor costs rose, according to a study of "Trends in Unit Labor Costs" appearing in the current Conference Board Business Record. These trends, according to the study, constitute a serious, but little-discussed, threat to the post-war price structure.

Wage costs per unit of product for all manufacturing are found to have mounted steadily since 1941, and in 1944 stood 39% higher than in 1939. The cost of raw materials used by manufacturers rose 60% in the same period. Meanwhile, as price controls were steadily broadened, prices of finished manufactured goods were stabilized and in 1944 were only 25.4% higher than in 1939.

Between 1939 and 1943, manufacturing payrolls more than tripled, production rose about two and a half times, while the number of man hours worked fell a little short of doubling.

Preliminary estimates for 1944 indicate that payrolls continued to increase, although production and man hours declined.

Gains in productivity were greater than the rise in payrolls in industries producing war materials, so that unit labor costs were reduced. For example, in aircraft manufacturing the cost of a light bomber was reduced from $11 a pound of airframe to $5.10 between January, 1941, and January, 1944.

The study finds that the situation has been far different in civilian industry: "In all the twenty-five civilian industries for which data are available, unit labor costs were higher in 1943 than in 1939.

An example is cited in the manufacture of flour and other grain products, where labor costs per unit increased 60% in the four war years. But rises of 40% to 50% were also found in the fertilizer industry, in cotton goods, woolen and worsted goods, primary smelters and refineries of nonferrous metals, paper and pulp, chewing and smoking tobacco and snuff, and canned and cured fish. Unit labor costs rose from 30% to 40% in ten industries and sub-groups, including boots and shoes, cement, slaughtering and meat packing, and lumber and timber products.

With the prices of finished goods virtually stable, and with labor costs per unit and raw materials prices advancing sharply, the study finds that a serious threat to the post-war price structure is being ignored in current discussion.

The "deterioration in the relationship of wage costs to prices in manufacturing has high inflationary potentials."

"Public attention has been largely directed to the demand aspects of the inflationary situation, emphasizing primarily the excess of purchasing power in the hands of consumers as compared with a stable or dwindling volume of consumer goods. Relatively little attention has been directed to the influence of higher costs of production, including higher basic wage costs, upon the post-war price structure."

Two recent examples are cited. First, the report of the public members of the War Labor Board stressed the maintenance of purchasing power and the retention of wartime gains in wage rates rather than the influences of such wage rates upon the price structure under which post-war purchases will be made. Second, Administrator Bowles of O. P. A. in his statement of February 27, once more stressed the record of price control and the demand pressures on the price structure arising from excess purchasing power and from the backlog of savings.

Results of Treasury Bill Offering

The Secretary of the Treasury announced on March 26 that the tenders of $1,300,000,000 or thereabouts of 91-day Treasury bills to be dated March 29 and to mature June 28, 1945, which were offered on March 23, were opened at the Federal Reserve Banks on March 26.

The details of this issue are as follows:

Total applied for, $2,022,045,000.

Total accepted, $1,313,993,000 (includes $60,025,000 entered on a fixed price basis at 99.905 and accepted in full).

Average price 99.905, equivalent rate of discount approximately 0.375% per annum.

Range of accepted competitive bids:

High, 99.910, equivalent rate of discount approximately 0.356% per annum.

Low, 99.905, equivalent rate of discount approximately 0.376% per annum.

(60% of the amount bid for at the low price was accepted.)

There was a maturity of a similar issue of bills on March 29 in the amount of $1,202,262,000.

Diez of Colonial Trust To Visit Bank's Latin Amer. Correspondents

Mario Diez, vice-president in charge of the foreign division of Colonial Trust Company, of New York, left on March 24, to visit the bank's correspondents in Mexico, Guatemala, El Salvador, Costa Rica, Venezuela, Columbia, Ecuador, Bolivia, Peru and Chile. In announcing Mr. Diez' departure, Arthur S. Kleeman, president of the bank, stated: "Mr. Diez will on this trip undertake what we believe to be a new and patriotic service both to Latin and North American business interests. In addition to visiting those banks which carry accounts with us, Mr. Diez will survey import potentialities for many of our clients who wish to buy raw materials and certain finished products from our southern neighbors. He will be aided in his seach for such possibilities by the banks in each country he visits, for all of our Latin American correspondents share the Colonial viewpoint that the United States must buy more from Central and South America if we wish to export in volume to those parts of the world."

For the purpose of making this survey, Mr. Diez will remain in Latin America for three months.

Wheeler Says U. S. Should Be Independent of World Communications Monopoly

Senator Burton K. Wheeler, Democrat, of Montana, contended on March 25 that facilities for bringing in foreign news to the American press should operate independently of any post-war international communications monopoly, according to Associated Press dispatches from Washington on the same day, from which the following was also taken:

The Chairman of the Senate Interstate Commerce Committee asserted that preservation of Press Wireless, Inc., is essential to American policy in the field of communications. His committee began hearings last week with a view to laying the groundwork for a legislative program. Sessions will resume Tuesday.

Senator Wheeler added that he was personally opposed to a Navy proposal calling for a private communications corporation with five of its 20 directors drawn from the Cabinet, with inclusion of Press Wireless in the vast American monopoly.

"Press Wireless was set up as a non-profit organization to handle news for the newspapers of this country," Senator Wheeler told a reporter. "A continuation of its independent service is important to our freepress."

Bretton Woods Agreements Backed By Eleven Philadelphia Bankers

The heads of eleven of Philadelphia's major banks forwarded to Congress on March 22, a memorandum recommending the authorization of the Bretton Woods agreements setting up an international monetary fund and an international bank for reconstruction and development, it was said in an Associated Press dispatch from Philadelphia on March 22, from which we have also taken the following:

The banks who signed as individuals rather than as the heads of their institutions, said the Bretton Woods proposals "in our judgment give reasonable promise of avoiding the major financial errors committed after the last war."

"We believe the agreements provide a fair basis for effective financial collaboration among the United Nations as a counterpart of collective security in the political sphere," the memorandum continued.

The memorandum was signed by William Fulton Kurtz, of the Pennsylvania Company for Insurance on Lives and Granting Annuities; David E. Williams, of the Corn Exchange National Bank; Howard A. Loeb, chairman of the Tradesmen's National Bank; James E. Gowen, of the Girard Trust Company; Isaac W. Roberts, of the Philadelphia Savings Fund Society; Archie D. Swift, of the Penn Central-Penn National Bank; P. Blair Lee, of the Western Savings Fund Society; W. Logan MacCoy, of the Provident Trust Company; R. Livingston Sullivan, of the Market Street National Bank; Percy C. Madeira, Jr., of the Land Title Bank and Trust Company, and Evan Randolph, of the Philadelphia National Bank.

Other high lights of the memorandum included:

"The success of any international monetary and financial plan dealing with long-term lending, exchange rates, exchange controls and other aspects of world post-war problems will largely depend upon the mutual understanding and willingness by participating countries, first to undertake and then to carry out the obligations assumed.

"The monetary chaos and the resulting social distress after the first world war have clearly demonstrated the urgency for mutual action.

"The United States now has opportunity to exert leadership in developing a more united and cooperative world. Even though such leadership involves substantial dollar cost, we might well be the gainers through the restoration of reasonable international stability."

David Lloyd George Dies at 82

Britain's Prime Minister in World War I Had Served 54 Years in Parliament. One of the Big Four at Versailles Peace Treaty.

Earl Lloyd George of Dwyfor, who as David Lloyd George was Great Britain's Prime Minister during and immediately following the first World War, died at his estate in Caenarvonshire, North Wales, on March 26, at the age of 82. He had been a member of the Liberal party in Parliament for 54 years, and only on last New Year's Day accepted an Earldom from the British king.

With the exception of Vittorio Orlando, who represented Italy, Lloyd George is the last of the Premiers of the four Great Powers who drafted the Treaty of Peace at Versailles, France, which ended the first World War. After the war he continued as Prime Minister, and was instrumental in settling the Irish question in Britain by the creation of the Irish Free State. In 1922, with the defeat of the Liberal party in the elections, Lloyd George was replaced as Prime Minister by Bonar Law, leader of the Conservatives. He continued active as a member of the House of Commons on the Opposition bench and maintained his interest in public affairs until stricken by influenze in February of this year. He published six volumes of his war memoirs, and also in 1932 a book entitled "War Debts and Reparations."

Asks Funds For Work On Missouri Valley Plan

An appropriation of $4,480,000 to prepare plans for developing the Missouri River Valley was asked by President Roosevelt on March 20 in a request to Congress. The money, it is stated, would go to the Interior Department, which would prepare plans and specifications for initial works authorized by a Flood Control Act. It also would permit continuing investigations for working out the general plan approved by the same act.

In his request to Congress the President said:

"This estimate includes funds only for the work preliminary to actual construction of projects and must be performed irrespective of whether coustruction of the projects in the basin is accomplished by a valley authority or other agencies. In my judgment, the proposed work will not interfere with the conduct of the war."

Associated Press advices from Washington March 20 stated:

The largest portion of the funds is for the Reclamation Bureau. But provision is made for related work by the National Park Service, General Land Office, Grazing Service, Fish and Wild-Life Service, Office of Indian Affairs and the Geological Survey.

Provision is being made in a War Department appropriation act to let the Army engineers start work on detailed plans and specifications for the engineers' share of the project authorized by the 1944 Flood Control Act.

Budget Director Harold Smith, in recommending the appropriation to the President, said that mapping, stream gaging, and other field investigations must precede any plans and specifications drawn so as to prepare the Missouri Valley region for inclusion in a postwar Federal construction program.

Work of this type, Smith said, will facilitate "the rapid establishment of the Missouri Valley authority as a going concern should the Congress determine to bring the authority into existence."

In effect, the President recommended a Missouri Valley setup similar to the Tennessee Valley Authority.

The State of Trade

(Continued from page 1405)

in the week ended March 17, 1945, from 4,446,136,000 kwh. in the preceding week. Output for the week ended March 17, 1945, was 0.1% below that for the corresponding weekly period one year ago.

Consolidated Edison Co. of New York reports system output of 171,600,000 kwh. in the week ended March 18, 1945, comparing with 206,200,000 kwh. for the corresponding week of 1944, or a decrease of 16.8%.

Local distribution of electricity amounted to 167,700,000 kwh., compared with 203,400,000 kwh. for the corresponding week of last year, a decrease of 17.6%.

Railroad Freight Loading—Carloadings of revenue freight for the week ended March 17, 1945, totaled 815,789 cars, the Association of American Railroads announced. This was an increase of 49,499 cars, or 6.5% above the preceding week this year, and an increase of 30,504 cars, or 3.9% above the corresponding week of 1944. Compared with a similar period of 1943, an increase of 47,655 cars, or 6.2%, is shown.

Coal Industry—The Solid Fuels Administrator, U. S. Department of the Interior, in its latest report places total production of soft coal in the week ended March 17, 1945, at 11,825,000 net tons, an increase of 940,000 tons from the week previous. Production in the corresponding week of 1944 amounted to 12,070,000 tons.

According to the U. S. Bureau of Mines, output of Pennsylvania anthracite for the week ended March 17, 1945, was estimated at 1,214,000 tons, an increase of 107,000 tons, or 9.7% from the preceding week. When compared with the corresponding week in 1944, a decrease of 17,000 tons, or 1.4% is reflected.

Beehive coke for the week ended March 17, 1945, showed a decrease of 1,600 tons below the previous week, and was 21,900 tons less than for the similar week of 1944.

Crude Oil Production—Daily average gross crude oil production for the week ended March 17, as estimated by the American Petroleum Institute, was 4,773,915 barrels. This represented an increase of 5,900 barrels per day over the preceding week, but was, however, 19,435 barrels less than the daily average figure recommended by the Petroleum Administration for War for the month of March, 1945. When compared with the corresponding week last year, crude oil production was 388,640 barrels per day higher. For the four weeks ended March 17, 1945, daily output averaged 4,771,250 barrels.

Reports from refining companies indicate that the industry as a whole ran to stills (on a Bureau of Mines basis) approximately 4,773,000 barrels of crude oil daily and produced 14,481,000 barrels of gasoline. Kerosene output totaled 1,652,000 barrels, with distillate fuel oil placed at 4,527,000 barrels and residual fuel oil at 9,042,000 barrels during the week ended March 17, 1945. Storage supplies at the week-end totaled 53,411,000 barrels of civilian grade gasoline, 45,471,000 barrels of military and other gasoline; 6,852,000 barrels of kerosene; 26,483,000 barrels of distillate fuel oil, and 43,718,000 barrels of residual fuel oil.

Lumber Shipments—The National Lumber Manufacturers Association reports that lumber shipments of 483 reporting mills were 2.4% above production for the week ended March 17, 1945, while new orders for these mills were 9% more than production. Unfilled order files amounted to 103% of stocks.

For the year to date, shipments of reporting identical mills exceeded production by 8.1% and orders ran 13.6% above output.

Compared to the average corresponding week of 1935-39, production of reporting mills was 22.3% greater, shipments 14.6% greater, and orders 19.4% greater.

Paper Production—After giving affect to normal seasonal factors the output of ratio increased somewhat during the week ended March 17. The effect of the severe winter storms on the two previous week's production has been overcome, although the production ratio of both paper and paperboard was below the corresponding week of 1944. Output for the week ended March 17, 1945, was 89.4% of capacity, as against 87.7% of capacity for the preceding week, the American Paper and Pulp Association's index of mill activity disclosed. As for paperboard, production for the same period was reported at 95% of capacity, against 94% in the preceding week.

Silver—The London market was quiet and unchanged at 25½d. per fine ounce for silver. The New York Official for foreign silver continued at 44¾c. and 70⅝c. for domestic silver.

Business Failures Continue Low—Commercial and industrial failures showed a small decline in the week ending March 22. Dun & Bradstreet, Inc., reports 14 failures as compared with 16 in the previous week and 30 in the same week of 1944.

Large failures doubled their number a week ago and came close to their total in the comparable week last year, while small failures fell off sharply from last week and amounted to only one-fifth those in the same week of 1944. Concerns failing with liabilities over $5,000 numbered 11 against 5 in the prior week and 15 a year ago.

Manufacturing and wholesale trade were the only industry groups registering a decline in failures the past week. Slight increases occurred in construction and commercial service with the largest gain in retailing where concerns failing were three times the number last week. New England and the East North Central States were the only regions to report an increase in failures and also the only regions in which failures equalled last year's number. Decreases appeared in the Middle Atlantic and Pacific States, while the five other regions reported no failures.

There was one Canadian failure, the same as last week and the corresponding week of 1944.

Commodity Price Index—The general commodity price level continued to move in a narrow range at a comparatively high level the past week. The index closed at 176.48 on March 20, the daily wholesale commodity price index compiled by Dun & Bradstreet revealed, comparing with 176.46 a week previous and with 173.05 on March 20, 1944.

Uncertainty characterized the grain markets last week with a falling off in trading activity also noted. Ceilings in cash wheat were maintained, but irregularity prevailed in futures with the undertone strong, reflecting continuel tightness in the box situation and the huge Army export wheat and flour program. Reports coming to hand indicate that winter grains pulled through the winter with very little damage and moisture conditions at present are reported adequate for good growth. Domestic flour buying was only fair but Army purchases last week totaled more than 2,000,000 sacks.

Hog values adhered to ceilings as active demand readily absorbed small receipts. Cattle receipts were moderate at steady to higher prices and sheep and lamb prices also gave evidence of a slightly higher trend.

A firm tone prevailed in the cotton markets most of the week and daily price changes held to a narrow range. Traders reflected a cautious attitude pending the outcome of price control legislation. In spot markets, inquiries improved, but offerings were limited. Sales volume was moderate and slightly under the same period a year ago.

The Boston wool market was hesitant with trading mostly on a fill-in basis, reflecting the uncertainty surrounding the date of some contract terminations. Greasy and scoured foreign wools were in good demand but the volume was limited by the lack of offerings of lots with nearby shipping dates. Purchasing in foreign wools markets was slow although shipping conditions from Argentine and Montevideo were reported much improved.

Food Price Index Unchanged—For five weeks past there has been no change in the wholesale food price index, compiled by Dun & Bradstreet, Inc. Standing at $4.10 on March 20, the current figure reflects a rise of 1.5% over last year's $4.04, but it is slightly under the $4.11 recorded on the corresponding date two years ago. Flour and steers moved higher during the week, while rye, potatoes and lambs declined.

The index represents the sum total of the price per pound of 31 foods in general use.

Retail and Wholesale Trade—An exceptionally high level was attained in retail trade the past week with gains noted chiefly in women's and misses' apparel, Dun & Bradstreet, Inc., currently report. The early advent of Easter and nice weather worked in favor of the week's volume. Compared with one year ago stocks were described as in fair condition. There were, however, limitations to contend with since higher priced goods are more in demand than was the case last year and shortages are apparent in some furniture, home furnishings, and cotton and woolen lines. As for deliveries, they have been reported as reasonably good in the past few weeks.

In seasonal apparel lines, the best showing was made in the week's retail volume. Leading in sales for the week were suits with coats following closely. Heavy selling was also noted in accessory lines such a handbags, lingerie, and hosiery with shoe sales on a par with last year. Cotton dresses reflected lower stocks than a year ago but sales have continued to increase. In misses' and children's apparel sales were up to those in women's lines. In the lower priced groups of suits and coats stocks were reported inadequate. In men's wear departments, notwithstanding low inventories, increases were above a year ago and ranged up to 25%.

With respect to foods the situation in meats, poultry, and dairy products was still unsatisfactory in some retail markets, nevertheless, the food volume held steady with last week and was moderately above that of last year.

Retail volume for the country was estimated from 17 to 21% above last year. Regional percentage increases were: New England, 18 to 20%; East, 17 to 22%; Middle West, 20 to 25%; Northwest, 12 to 16%; South, 18 to 22%; Southwest, 20 to 25%; Pacific Coast, 15 to 18%.

In the matter of wholesale trade, the volume compared favorably with the previous week. Most stress was placed upon securing additional merchandise for the Easter trade and keeping those stocks well rounded out to meet the heavy retail demand. Merchandise is growing more difficult to obtain, making for many unfilled reorders. Demand in all lines was strong the past week, but with the inability of retailers to get ample stocks from manufacturers, inventories are currently described as being at a very low level.

Department store sales on a country-wide basis, as taken from the Federal Reserve Board's index, were 23% ahead of a year ago for the week ended March 17, 1945. This compared with 28% in the preceding week. For the four weeks ended March 17, 1945, sales increased 23%, and for the year to date by 18%.

The pre-Easter peak in retail trade was reached here in New York last week with a heavy consumer demand noted in apparel, accessory and main floor departments. Trade activity among specialty shops was especially marked. Demand in the week was running ahead of the receipt of fresh goods and merchants extended their efforts to speed shipments of seasonal merchandise on order. In turn manufacturers were clearing their books of orders they found it impossible to fill. The prospects of obtaining staple and better grade merchandise in the immediate future are growing more remote each day.

According to the Federal Reserve Bank's index, department store sales in New York City for the weekly period to March 17, 1945, increased 28% over the same period of last year. This compared with an increase of 29% in the preceding week. For the four weeks ended March 17, 1945, sales rose by 25% and for the year to date by 17%.

Weekly Coal and Coke Production Statistics

The Solid Fuels Administration, U. S. Department of the Interior, in its latest report, states that the total production of soft coal in the week ended March 17, 1945 is estimated at 11,825,000 net tons, an increase of 940,000 tons over the preceding week. Output in the corresponding week of 1944 amounted to 12,070,000 tons. For the calendar year to March 17, 1945, soft coal production totaled 127,435,000 tons, a decrease of 8.5% when compared with the 139,337,000 tons produced in the calendar year to March 18, 1944. Better weather conditions in the Eastern and Midwestern bituminous coal producing regions and a much improved railroad car supply accounted for the increase in output for the week ended March 17, 1945.

According to the U. S. Bureau of Mines, production of Pennsylvania anthracite for the week ended March 17, 1945, was estimated at 1,214,000 tons, an increase of 107,000 tons (9.7%) over the preceding week. When compared with the output in the corresponding week of 1944 there was a decrease of 17,000 tons, or 1.4%. The calendar year to date shows a decrease of 18.9% when compared with the corresponding period last year.

The Bureau also reported that the estimated production of beehive coke in the United States for the week ended March 17, 1945 showed a decrease of 1,600 tons when compared with the output for the week ended March 10, 1945; and was 21,900 tons less than for the corresponding week of 1944.

ESTIMATED PRODUCTION OF PENNSYLVANIA ANTHRACITE AND COKE
(In Net Tons)

	Week Ended			Calendar Year to Date		
Penn. anthracite—	‡Mar. 17 1945	§Mar. 10, 1945	Mar. 18, 1944	Mar. 17, 1945	Mar. 18, 1944	Mar. 20, 1937
*Total incl. coll. fuel	1,214,000	1,107,000	1,231,000	11,493,000	14,175,000	10,924,000
†Commercial produc.	1,165,000	1,063,000	1,182,000	11,033,000	13,608,000	10,378,000
Beehive coke—						
United States total	127,200	128,800	149,100	1,223,000	1,739,000	802,700

*Includes washery and dredge coal, and coal shipped by truck from authorized operations. †Excludes colliery fuel. ‡Subject to revision. §Revised.

ESTIMATED WEEKLY PRODUCTION OF BITUMINOUS COAL BY STATES
(In Net Tons)

	Week Ended		
State—	Mar. 10, 1945	Mar. 3, 1945	Mar. 11, 1944
Alabama	373,000	365,000	393,000
Alaska	7,000	7,000	10,000
Arkansas and Oklahoma	83,000	63,000	96,000
Colorado	164,000	165,000	178,000
Georgia and North Carolina	1,000	1,000	*
Illinois	1,482,000	1,503,000	1,617,000
Indiana	482,000	520,000	563,000
Iowa	54,000	58,000	58,000
Kansas and Missouri	150,000	173,000	182,000
Kentucky	1,182,000	1,327,000	1,311,000
Maryland	35,000	33,000	40,000
Michigan	3,000	4,000	2,000
Montana	107,000	104,000	95,000
New Mexico	34,000	32,000	40,000
North & South Dakota	56,000	60,000	47,000
Ohio	478,000	577,000	620,000
Pennsylvania	2,420,000	2,540,000	2,907,000
Tennessee	130,000	137,000	152,000
Texas	2,000	4,000	3,000
Utah	134,000	141,000	148,000
Virginia	343,000	366,000	400,000
Washington	32,000	31,000	31,000
West Virginia	2,935,000	2,882,000	3,223,000
Wyoming	198,000	187,000	184,000
Other Western States	*	*	*
Total	10,885,000	11,280,000	12,300,000

*Less than 1,000 tons.

Williams Rejected as Head of REA by Senate

President Roosevelt's nomination of Aubrey Williams as Rural Electrification Administrator was rejected on March 23 by the Senate, said Associated Press dispatches from Washington on March 23, which added:

The vote was 52 to 36 against confirmation.

The Senate's action came two months and a day after the President submitted the name of the former National Youth Administrator for director of a lending program which opponents said soon may reach the proportions of a billion dollars.

Some Southern Democrats joined with Republicans to defeat the 54-year-old Williams, an ardent New Dealer.

It was the first senatorial rejection of a presidential appointee other than a postmaster, since June, 1939, when a nominee for United States attorney for Nevada was turned down. Some other nominations were withdrawn, however.

Supporters contended that Williams was falsely accused of communist leanings. Opponents said he was not fitted for the job.

Majority Leader Barkley, pleading for confirmation shortly before the vote was taken, called Williams a champion of the underprivileged.

Wholesale Prices Unchanged for Week Ended March 17, Labor Department Reports

The Bureau of Labor Statistics' index of commodity prices at the primary market level remained unchanged during the week ended March 17 at 105.1% of the 1926 average, said the U. S. Department of Labor announcement issued March 22, which continued: "Minor increases in prices for a few agricultural products and for sheepskins and brick did not affect the all-commodity index which stands 0.1% higher than for the corresponding week of February. Prices for most commodities have moved within a narrow range during the past year. The general index was 1.4% higher than in mid-March 1944."

The announcement further said:

"Farm Products and Foods—Average prices for farm products in primary markets rose 0.2% during the week. Livestock prices advanced 0.2% with calves up over 3% and sheep up about 1.5%. Grains increased slightly by 0.1% as a result of a rise of 1.6% for rye and fractionally higher prices for wheat. Advancing prices were also reported for eggs in some markets, for apples at Chicago, for lemons and oranges and for new white potatoes at New York. The cotton market weakened under heavy liquidation, and tobacco, onions and potatoes at Boston and Chicago also declined. In the past four weeks average prices for farm products have risen 0.2% to a point 2.3% higher than at this time last year.

"Industrial Commodities — There were very few price changes reported in industrial commodities. Sheepskins advanced 1.3% under strong demand. Common building brick rose 0.5%. Higher sales realizations for gas accounted for an increase of 0.1% in the fuel and lighting materials group index."

The following notation was included in the Labor Department's report:

Note—During the period of rapid changes caused by price controls, materials allocation, and rationing, the Bureau of Labor Statistics will attempt promptly to report changing prices. The indexes must be considered as preliminary and subject to such adjustment and revision as required by later and more complete reports.

The following tables show (1) indexes for the principal groups of commodities for the past three weeks, for Feb. 17, 1945 and March 18, 1944, and the percentage changes from a week ago, a month ago, and a year ago and (2) percentage changes in subgroup indexes from March 10, 1945 to March 17, 1945.

WHOLESALE PRICES FOR WEEK ENDED MARCH 17, 1945
(1926=100)

						Percentage change to March 17, 1945 from—		
Commodity Groups—	3-17 1945	3-10 1945	3-3 1945	2-17 1945	3-18 1944	3-10 1945	2-17 1945	3-18 1944
All commodities	105.1	105.1	105.0	105.0	103.6	0	+0.1	+ 1.4
Farm products	127.4	127.1	127.2	127.2	124.5	+0.2	+0.2	+ 2.3
Foods	104.6	104.5	104.5	104.8	104.6	+0.1	—0.2	0
Hides and leather products	118.2	118.1	118.1	118.0	117.6	+0.1	+0.2	+ 0.5
Textile products	99.2	99.2	99.2	99.1	97.3	0	+0.1	+ 2.0
Fuel and lighting materials	83.9	83.8	83.8	83.8	83.6	+0.1	+0.1	+ 0.4
Metals and metal products	104.3	104.3	104.3	104.3	103.8	0	0	+ 0.5
Building materials	116.9	116.9	116.9	116.9	113.8	0	0	+ 2.7
Chemicals and allied products	94.9	94.9	94.9	94.9	95.0	0	0	— 0.1
Housefurnishing goods	106.2	106.2	106.2	106.2	105.9	0	0	+ 0.3
Miscellaneous commodities	94.4	94.4	94.3	94.1	93.3	0	+0.3	+ 1.2
Raw materials	116.3	116.2	116.2	116.2	113.9	+0.1	+0.1	+ 2.1
Semimanufactured articles	94.9	94.9	94.9	94.8	93.5	0	+0.1	+ 1.5
Manufactured products	101.8	101.8	101.6	101.6	100.6	0	+0.2	+ 1.2
All commodities other than farm products	100.3	100.3	100.1	100.1	99.2	0	+0.2	+ 1.1
All commodities other than farm products and foods	99.4	99.4	99.4	99.3	98.2	0	+0.1	+ 1.2

PERCENTAGE CHANGES IN SUBGROUP INDEXES FROM MARCH 10, 1945 TO MARCH 17, 1945

Increases

Hides and skins	0.3	Grains	0.1
Livestock and poultry	0.2	Other foods	0.1
Fruits and vegetables	0.1	Brick and tile	0.1

Electric Output for Week Ended Mar. 24, 1945 0.2% Below That for Same Week Last Year

The Edison Electric Institute, in its current weekly report, estimated that the production of electricity by the electric light and power industry of the United States for the week ended Mar. 24, 1945, was approximately 4,401,716,000 kwh., which compares with 4,409,159,000 kwh. in the corresponding week a year ago, and 4,397,529,000 kwh. in the week ended Mar. 17, 1945. The output of the week ended Mar. 24, 1945, was 0.2% lower than that in the same week last year.

PERCENTAGE INCREASE OVER PREVIOUS YEAR

	Week Ended			
Major Geographical Divisions—	Mar. 24	Mar. 17	Mar. 10	Mar. 3
New England	3.7	*0.1	*0.5	*1.1
Middle Atlantic	*3.0	*3.5	*2.8	*3.4
Central Industrial	1.8	0.9	1.7	2.8
West Central	5.3	5.9	7.3	9.1
Southern States	3.6	4.9	6.3	6.5
Rocky Mountain	*10.0	*7.5	*5.6	*8.7
Pacific Coast	*2.1	*0.1	*2.1	*5.2
Total United States	*0.2	*0.1	0.5	0.2

*Decrease under similar week in previous year.

DATA FOR RECENT WEEKS (Thousands of Kilowatt-Hours)

Week Ended—	1945	1944	% Change over 1944	1943	1932	1929
Jan. 6	4,427,281	4,567,959	--	3,952,587	1,602,482	1,733,810
Jan. 13	4,614,334	4,539,083	+ 1.7	3,952,479	1,598,201	1,736,721
Jan. 20	4,588,214	4,531,662	+ 1.2	3,974,202	1,588,967	1,717,315
Jan. 27	4,576,713	4,523,763	+ 1.2	3,976,844	1,588,853	1,728,203
Feb. 3	4,538,552	4,524,134	+ 0.3	3,960,242	1,578,817	1,726,161
Feb. 10	4,505,269	4,532,730	— 0.6	3,939,708	1,545,459	1,718,304
Feb. 17	4,472,298	4,511,562	— 0.9	3,948,749	1,512,158	1,699,250
Feb. 24	4,473,962	4,444,939	+ 0.7	3,892,796	1,519,679	1,706,719
March 3	4,472,110	4,464,686	+ 0.2	3,946,630	1,538,452	1,702,570
March 10	4,446,136	4,425,630	+ 0.5	3,944,679	1,537,747	1,687,229
March 17	4,397,529	4,400,246	— 0.1	3,946,836	1,514,553	1,683,262
March 24	4,401,716	4,409,159	— 0.2	3,928,170	1,480,208	1,679,589
March 31		4,408,703		3,889,858	1,465,076	1,633,291

Note—Because the same week a year ago contained the New Year holiday, no percentage comparison is available for the week ended Jan. 6.

Moody's Bond Prices And Bond Yield Averages

Moody's computed bond prices and bond yield averages are given in the following table.

MOODY'S BOND PRICES†
(Based on Average Yields)

1945— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Mar. 27	122.11	114.85	121.04	118.40	114.85	106.21	111.25	114.27	119.41
26	122.16	115.04	121.04	118.60	114.85	106.21	111.25	114.27	119.41
24	122.19	115.04	121.04	118.40	114.85	106.39	111.44	114.27	119.41
23	122.19	115.04	121.04	118.60	114.85	106.21	111.44	114.27	119.41
22	122.19	114.85	120.84	118.60	114.85	106.21	111.25	114.27	119.20
21	122.19	114.85	120.84	118.60	114.85	106.21	111.25	114.27	119.41
20	122.20	115.04	120.84	118.60	114.85	106.21	111.25	114.46	119.41
19	122.20	115.04	120.84	118.60	114.85	106.39	111.25	114.46	119.41
17	122.25	115.04	120.84	118.80	114.66	106.39	111.07	114.46	119.61
16	122.25	115.04	120.84	118.80	114.66	106.39	111.07	114.46	119.41
15	122.28	114.85	120.63	118.60	114.66	106.21	110.88	114.46	119.41
14	122.36	114.85	120.63	118.60	114.85	106.39	110.88	114.46	119.61
13	122.39	114.85	120.63	118.40	114.66	106.21	110.88	114.46	119.41
12	122.42	114.85	120.63	118.60	114.66	106.21	110.88	114.46	119.41
10	122.47	114.85	120.63	118.60	114.66	106.21	110.88	114.46	119.41
9	122.47	114.85	120.63	118.60	114.66	106.21	110.88	114.46	119.41
8	122.53	114.85	120.63	118.60	114.46	106.21	110.88	114.46	119.41
7	122.50	114.85	120.63	118.60	114.46	106.21	110.88	114.27	119.41
6	122.42	114.85	120.63	118.60	114.46	106.21	110.88	114.27	119.61
5	122.28	114.85	120.63	118.60	114.66	106.21	110.70	114.27	119.61
3	122.11	114.85	120.63	118.60	114.66	106.21	110.70	114.27	119.41
2	122.05	114.66	120.43	118.60	114.46	106.21	110.70	114.27	119.61
1	122.03	114.85	120.63	118.60	114.66	106.21	110.70	114.27	119.61
Feb. 23	121.92	114.66	120.02	118.60	114.46	106.04	110.52	114.08	119.41
16	121.97	114.46	120.02	118.60	114.27	105.69	110.15	114.08	119.41
9	121.58	114.27	119.82	118.40	114.08	105.69	109.97	114.08	119.20
2	121.33	114.08	119.82	118.00	113.89	105.34	109.60	114.08	118.80
Jan. 26	120.88	113.89	119.41	118.00	113.70	105.17	109.24	113.89	118.60
19	121.09	113.70	119.20	118.00	113.70	105.00	108.88	113.70	118.60
12	121.25	113.70	119.00	118.00	113.50	104.83	109.06	113.70	118.40
5	120.66	113.50	119.00	117.80	113.50	104.66	108.70	113.89	118.20
High 1945	122.53	115.04	121.04	118.80	114.85	106.39	111.44	114.46	119.61
Low 1945	120.55	113.50	118.80	117.80	113.31	104.48	108.52	113.70	118.20
1 Year Ago									
March 27, 1944	119.70	111.44	118.20	116.61	111.44	100.81	104.66	113.89	116.41
2 Years Ago									
March 27, 1943	116.96	109.60	117.80	115.43	110.70	96.23	100.65	113.12	115.63

MOODY'S BOND YIELD AVERAGES
(Based on Individual Closing Prices)

1945— Daily Averages	U. S. Govt. Bonds	Avge. Corporate*	Corporate by Ratings* Aaa	Aa	A	Baa	Corporate by Groups* R. R.	P. U.	Indus.
Mar. 27	1.66	2.91	2.60	2.73	2.91	3.38	3.10	2.94	2.68
26	1.65	2.90	2.60	2.72	2.91	3.38	3.10	2.94	2.68
24	1.65	2.90	2.60	2.73	2.91	3.37	3.09	2.94	2.68
23	1.65	2.90	2.60	2.72	2.91	3.38	3.09	2.94	2.68
22	1.65	2.91	2.61	2.72	2.91	3.38	3.10	2.94	2.69
21	1.65	2.91	2.61	2.72	2.91	3.38	3.10	2.94	2.68
20	1.65	2.90	2.61	2.72	2.91	3.38	3.10	2.93	2.68
19	1.65	2.90	2.61	2.72	2.91	3.37	3.10	2.93	2.68
17	1.65	2.90	2.61	2.71	2.92	3.37	3.11	2.93	2.67
16	1.65	2.90	2.61	2.71	2.92	3.37	3.11	2.93	2.68
15	1.64	2.91	2.62	2.72	2.92	3.38	3.12	2.93	2.68
14	1.66	2.91	2.62	2.72	2.91	3.37	3.12	2.93	2.67
13	1.66	2.91	2.62	2.73	2.92	3.38	3.12	2.93	2.68
12	1.66	2.91	2.62	2.72	2.92	3.38	3.12	2.93	2.68
10	1.66	2.91	2.62	2.72	2.92	3.38	3.12	2.93	2.68
9	1.66	2.91	2.62	2.72	2.92	3.38	3.12	2.93	2.68
8	1.65	2.91	2.62	2.72	2.93	3.38	3.12	2.93	2.68
7	1.65	2.91	2.62	2.72	2.93	3.38	3.12	2.94	2.68
6	1.66	2.91	2.62	2.72	2.93	3.38	3.12	2.94	2.67
5	1.67	2.91	2.62	2.72	2.92	3.38	3.13	2.94	2.67
3	1.68	2.91	2.62	2.72	2.92	3.38	3.13	2.94	2.68
2	1.69	2.92	2.63	2.72	2.93	3.38	3.13	2.94	2.67
1	1.69	2.91	2.62	2.72	2.92	3.38	3.13	2.94	2.67
Feb. 23	1.69	2.92	2.65	2.72	2.93	3.39	3.14	2.95	2.68
16	1.69	2.93	2.65	2.72	2.94	3.41	3.16	2.95	2.68
9	1.72	2.94	2.66	2.73	2.95	3.41	3.17	2.95	2.69
2	1.73	2.95	2.66	2.75	2.96	3.43	3.19	2.95	2.71
Jan. 26	1.77	2.96	2.68	2.75	2.97	3.44	3.21	2.96	2.72
19	1.75	2.97	2.69	2.75	2.97	3.45	3.23	2.97	2.72
12	1.74	2.97	2.70	2.75	2.98	3.46	3.22	2.97	2.73
5	1.79	2.98	2.70	2.76	2.98	3.47	3.24	2.96	2.74
High 1945	1.80	2.98	2.71	2.76	2.99	3.48	3.25	2.97	2.74
Low 1945	1.64	2.90	2.60	2.71	2.91	3.37	3.09	2.93	2.67
1 Year Ago									
March 27, 1944	1.83	3.09	2.74	2.82	3.09	3.70	3.47	2.96	2.83
2 Years Ago									
March 27, 1943	2.07	3.19	2.76	2.88	3.13	3.99	3.71	3.00	2.87

*These prices are computed from average yields on the basis of one "typical" bond (3¾% coupon, maturing in 25 years) and do not purport to show either the average level or the average movement of actual price quotations. They merely serve to illustrate in a more comprehensive way the relative levels and the relative movement of yield averages, the latter being the true picture of the bond market.

†The latest complete list of bonds used in computing these indexes was published in the issue of Jan. 14, 1943, page 202.

Churchill Sees End of War in Europe Soon—Pledges Promotion of Free Enterprise After War

The hope of victory over Germany this Spring was held out on March 15 by Prime Minister Winston Churchill in addressing the annual Conference of the Conservative Party at London. At the same time he pledged his dominant Conservative party to promotion of free enterprise in the post-war period and served notice that he intended to guide Britain in the trials of peace, according to London Associated Press accounts as given in the New York "Sun," which further reported him as saying:

"Victory lies before us, certain and perhaps near," he told the Conservative Party conference. He said that the war in Europe might conclude "before the summer ends or even sooner."

His temper obviously taut after recent sharp exchanges with left-wing critics in Commons, the Prime Minister struck out at "our Socialist friends" and their program "for nationalizing all the means of production, distribution and exchange."

He asserted that would imply "not only the destruction of the life of the whole of our existing system of society and life and labor, but the creation and enforcement of another system or systems borrowed from foreign lands, and alien minds."

By contrast, he declared that "at the head of our mainmast we fly the flag of free enterprise."

"We are determined," he said, "that the native genius and spirit of adventure, of risk-taking in peace as in war shall bear our fortunes forward in profitable work and trade for our people, and that good and thrifty housekeeping, both national and private, shall sustain our economy."

With more than 1.000.000 British homes damaged or destroyed, Mr. Churchill said:

"Never was there a time when so much was planned and projected and so much remained to be turned from paper into action. Nothing is more clear than that when the war is over the world will face an acute shortage of food for several years. It would be madness indeed to cast away the increased food production which has been achieved in the war."

In his first address to a full Conservative party conference since assuming leadership of this dominant political group four and a half years ago, Mr. Churchill declared:

"The continuous and ever more rapid progress of the war against Germany and the Nazi tyranny leads us all to hope that the giant foe against whom for more than a year we stood alone, unflinching and undismayed, will be forced into unconditional surrender or beaten to the ground in chaos or ruin.

"We shall maintain this patriotic restraint as long as the national coalition continues to work together in loyal comradeship."

He indicated that he has no intention of stepping down from the driver's seat once Germany is defeated.

"Should it fall to me," said Mr. Churchill, "as it may do, to form a government before the general election, I shall seek out not only conservatives but men of any party or no party who are willing to serve and thus invest our administration with a national character."

This, obviously, was meant to include victory over Japan as well as Germany. For Mr. Churchill, only a few mitnutes later, declared Britain was obligated to repay injuries inflicted by the Japanese.

N. N. Savs. Loan Assn's Report 1.3% Increase

Savings by the general public in the 244 savings and loan associations in New York State increased 1.3% during February, 1945, it was announced on March 21 by Zebulon V. Woodard, Executive Vice-President of the New York State League of Savings and Loan Associations.

The net increase in savings for the month was $6,608,520. New share investments totaled $14,003,280 while withdrawals amounted to $7,394,760. On the basis of these figures, Mr. Woodard estimated that on Feb. 28th the total resources of all New York Savings and loan associations had reached the amount of $612,608,072.

Estimated mortgage loans made by the associations during February, 1945, showed an increase of $1,751,802, or 51%, over February, 1944, when mortgage loans aggregated $3,432,198. Of the $5,184,000 loans granted during February, 1945, $4,383,900 were for the purchase of homes and $448,200 for the refinancing of previous mortgages. Construction, repair and miscellaneous loans amounted to $351,900.

The liquid resources of the associations in the form of cash and Government bonds now constitute 32.2% of all assets as compared to 31.0% as of January 1st.

Moody's Daily Commodity Index

Tuesday, March 20, 1945	255.3
Wednesday, March 21	255.3
Thursday, March 22	255.4
Friday, March 23	255.1
Saturday, March 24	255.2
Monday, March 26	255.0
Tuesday, March 27	255.0
Two weeks ago, March 13	255.4
Month ago, Feb. 27	255.2
Year ago, March 27	251.5
1943 High, April 1	249.8
Low, Jan. 2	240.2
1944 High, March 6	255.5
Low, March 2	254.8

Trading on New York Exchanges

The Securities and Exchange Commission made public on Mar. 21 figures showing the volume of total round-lot stock sales on the New York Stock Exchange and the New York Curb Exchange and the volume of round-lot stock transactions for the account of all members of these exchanges in the week ended Mar. 3, continuing a series of current figures being published weekly by the Commission. Short sales are shown separately from other sales in these figures.

Trading on the Stock Exchange for the account of members (except odd-lot dealers) during the week ended March 3 (in round-lot transactions) totaled 2,964,005 shares, which amount was 15.17% of the total transactions on the Exchange of 9,776,340 shares. This compares with member trading during the week ended Feb. 24 of 2,068,186 shares, or 12.87% of the total trading of 8,033,840 shares. On the New York Curb Exchange, member trading during the week ended March 3 amounted to 753,360 shares, or 13.41% of the total volume on that exchange of 2,808,485 shares. During the Feb. 24 week trading for the account of Curb members of 653,708 shares was 14.67% of total trading of 2,827,100.

Total Round-Lot Stock Sales on the New York Stock Exchange and Round-Lot Stock Transactions for Account of Members* (Shares)

WEEK ENDED MARCH 3, 1945

	Total for week	†%
A. Total Round-Lot Sales:		
Short sales	380,580	
‡Other sales	9,385,760	
Total sales	9,766,340	
B. Round-Lot Transactions for Account of Members, Except for the Odd-Lot Accounts of Odd-Lot Dealers and Specialists:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	680,540	
Short sales	104,770	
‡Other sales	615,630	
Total sales	720,400	7.17
2. Other transactions initiated on the floor—		
Total purchases	333,980	
Short sales	22,900	
‡Other sales	346,510	
Total sales	369,410	3.60
3. Other transactions initiated off the floor—		
Total purchases	259,243	
Short sales	159,200	
‡Other sales	441,232	
Total sales	600,432	4.40
4. Total—		
Total purchases	1,273,763	
Short sales	286,870	
‡Other sales	1,403,372	
Total sales	1,690,242	15.17

Total Round-Lot Stock Sales on the New York Curb Exchange and Stock Transactions for Account of Members* (Shares)

WEEK ENDED MARCH 3, 1945

	Total for week	†%
A. Total Round-Lot Sales:		
Short sales	27,690	
‡Other sales	2,780,795	
Total sales	2,808,485	
B. Round-Lot Transaction for Account of Members:		
1. Transactions of specialists in stocks in which they are registered—		
Total purchases	195,460	
Short sales	15,575	
‡Other sales	191,155	
Total sales	206,730	7.16
2. Other transactions initiated on the floor—		
Total purchases	69,000	
Short sales	1,600	
‡Other sales	86,065	
Total sales	87,665	2.79
3. Other transactions initiated off the floor—		
Total purchases	77,105	
Short sales	5,600	
‡Other sales	111,800	
Total sales	117,400	3.46
4. Total—		
Total purchases	341,565	
Short sales	22,775	
‡Other sales	389,020	
Total sales	411,795	13.41
C. Odd-Lot Transactions for Account of Specialists—		
Customers' short sales	0	
§Customers' other sales	93,548	
Total purchases	93,548	
Total sales	78,242	

*The term "members" includes all regular and associate Exchange members, their firms and their partners, including special partners.

†In calculating these percentages the total of members' purchases and sales is compared with twice the total round-lot volume on the Exchange for the reason that the Exchange volume includes only sales.

‡Round-lot short sales which are exempted from restriction by the Commission's rules are included with "other sales."

§Sales marked "short exempt" are included with "other sales."

Civil Engineering Construction Volume $23,559,000 For Week

Civil engineering construction volume in continental United States totals $23,559,000 for the week. This volume, not including the construction by military engineers abroad, American contracts outside the country, and shipbuilding is 42% lower than in the preceding week, 28% under the total for the corresponding 1944 week, and 35% below the previous four-week moving average as reported to "Engineering News-Record". The report issued on Mar. 22 went on to say:

Private construction is down 49% compared with a week ago, but is 65% higher than in the week last year. Public work is 40 and 39% lower, respectively, than last week and last year as a result of the decline in federal volume. State and municipal construction gains 108% over the preceding week, and is 38% above the 1944 week.

The current week's volume brings 1945 construction to $342,906,000 for the 12 weeks, a decrease of 19% from the $420,710,000 reported for the period in 1944. Private construction, $109,277,000, is 24% higher than last year, but public work, $233,629,000, is down 30% due to the 34% drop in federal. State and municipal construction tops the 1944 period's total by 12%.

Civil engineering construction volumes for the 1944 week, last week, and the current week are:

	Mar. 23, 1944	Mar. 15, 1945	Mar. 22, 1945
Total U. S. Construction	$32,909,000	$40,763,000	$23,559,000
Private Construction	3,236,000	10,457,000	5,338,000
Public Construction	29,673,000	30,306,000	18,221,000
State and Municipal	2,299,000	1,527,000	3,181,000
Federal	27,374,000	28,779,000	15,040,000

In the classified construction groups, gains over the preceding week are in waterworks, sewerage, bridges, earthwork and drainage, streets and roads, and unclassified construction. Increases over the 1944 week are in waterworks, sewerage, bridges, and industrial and commercial buildings. Subtotals for the week in each class of construction are: waterworks, $636,000; sewerage, $468,000; bridges, $573,000; industrial buildings, $3,621,000; commercial building and large-scale private housing, $1,489,000; public buildings, $11,369,000; earthwork and drainage, $222,000; streets and roads, $1,644,000; and unclassified construction, $3,537,000.

New capital for construction purposes for the week totals $41,578,000. It is made up of $25,144,000 in corporate security issues, $13,800,000 in RFC loans for private industrial expansion, and $2,634,000 in state and municipal bond sales.

New construction financing for 1945 to date totals $245,031,000, a volume 38% above the $177,233,000 reported for the opening 12 week period in 1944.

Steel Output Slightly Lower—Cancellations Effecting Backlogs–Orders Exceed Shipments

"The secondary steel order peak of the war appears to have passed this week; as for the first time this year some mills reported reductions of backlogs," states "The Iron Age" in its issue of today (March 29), which further says in part: "An over-all improvement in the steel production picture is contributing with some cancellations to this backlog reduction. Improvement in the railroad car situation, the end of cold weather, and in some cases better local operating conditions, have combined to put both ingot and finished steel production on a higher plane.

"Preliminary production reports for March indicate that, although few wartime records will be set, output will be the highest for several months. Chicago's operating rate this week, 103, is the highest in 11 months and operations in Pittsburgh have assumed a more "normal" character for the first time in nearly two and a half months.

"Cancellations, which are having an important effect on backlogs this week, are largely from customers who have had their second quarter CMP allotments cut, rather than from schedule changes or curtailments. One company reported that the cancellations totalled approximately 25% of new bookings. There is still a marked reluctance on the part of many civilian manufacturers to remove from mill books tonnage for which second quarter authorization has been revoked and the mills take the attitude that it is not their responsibility to police the validity of authorizations which have been handed them.

"Some Eastern mills last week were reported to be seeking plate business for May delivery. Although no announcement has been made, it is conjectured that cutbacks in the tanker construction program may have created spot openings. This reported cutback may be offset somewhat by renewal of contracts held by Midwestern landing craft builders. Over-all Maritime Commission plate requirements appear to be making their oft-rumored slide, and by July seem destined to be less than 40% of the July, 1944, level.

"Warehouse stocks have expanded somewhat as a direct result of the improved situation at the mills, which have been able to catch up on deliveries because of higher production and additional available freight cars. Finished materials that have been stacked around the mills since the period of inclement weather and freight embargoes is at last getting under way. Order volume is being dictated closely by available stocks, and March orders will be higher. Delay in shipment of CMP orders by mills continues to throw a larger than usual proportion of production business to the warehouses. Threatened cuts by the WPB, now in the discussion stage, in steel allotted to warehouses for the third quarter are considered by some as too remote to cause immediate worry. Some sources indicate that warehouses will get additional galvanized sheets in the future.

"Galvanized and cold-rolled sheet production continues below its peak because of manpower shortages, while new business in these lines continues to be heavy.

"Despite the receding order volume, it is apparent that war business will hold up strong, past the close of the European phase of the war, in line with the Army's anxiety not to repeat 1944's mistake of overconfidence. Extreme pressure has already been applied to steel orders to build up supplies for the Pacific War as early as possible, and this pressure is likely to continue as long as it is thought practicable. One unfortunate result, apparently now unavoidable, is that when the war does end American industry will be heavily occupied in war business."

The American Iron and Steel Institute on March 26 announced that telegraphic reports which it had received indicated that the operating rate of steel companies having 94% of the steel capacity of the industry will be 96.6% of capacity for the week beginning March 26, compared with 96.9% one week ago, 94.6% one month ago and 99.1% one year ago. The operating rate for the week beginning March 26 is equivalent to 1,769,400 tons of steel ingots and castings, compared to 1,774,900 tons one week ago, 1,732,700 tons one month ago and 1,775,200 tons one year ago.

"Steel" of Cleveland, in its summary of the iron and steel markets, on March 26, stated in part as follows: "Steel buying continues at a high level, although somewhat less than the peak attained early this year, with orders still larger than shipments.

"This is reflected most notably in further extension of deliveries on sheets and bars, tubular goods and some wire items. Shell and ammunition requirements generally still require largest quantities of steel and are disrupting schedules on other products indirectly by diverting steel from usual uses. Requirements are more diversified by attention now being given to parts replacements, such buying now being at a new high, with a heavier program in the offing.

"Because of the flood of directives and other operating handicaps of the past winter many producers are still far behind on delivery schedules, in some cases two or three months. Recent restrictions on use of directives, with better weather and improved transportation have allowed some improvement. In plates, demand for which is tapering, some producers believe they will be caught up by the end of April at the latest.

"Tin plate production is at a high rate but inability to obtain box cars in sufficient number has caused makers to store finished material until storage facilities are practically exhausted and other type cars are being used where possible. Tin plate consumers have been forced to use other specifications than their usual requirements to keep up production.

"With six more blast furnaces blowing March 1 than on Feb. 1 consumption of Lake Superior iron ore in February totaled 6,370,504 gross tons, compared with 6,982,619 tons in January, a longer month. In February, 1944, consumption was 7,207,342 tons. For two months this year total ore smelted was 13,353,123 tons, against 14,688,995 tons in the comparable period last year. Ore stocks at furnaces and Lake Erie docks March 1 were 24,576,589 tons. A year earlier they were 28,909,576 tons. With lake navigation scheduled to start early in April reserves are ample for all needs."

NYSE Odd-Lot Trading

The Securities and Exchange Commission made public on March 21 a summary for the week ended Mar. 10 of complete figures showing the daily volume of stock transactions for odd-lot account of all odd-lot dealers and specialists who handled odd lots on the New York Stock Exchange, continuing a series of current figures being published by the Commission. The figures are based upon reports filed with the Commission by the odd-lot dealers and specialists.

STOCK TRANSACTIONS FOR THE ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON THE N. Y. STOCK EXCHANGE

Week Ended March 10, 1945

	Total for Week
Odd-Lot Sales by Dealers (Customers' purchases)	
Number of orders	36,575
Number of shares	1,070,895
Dollar value	$42,255,728
Odd-Lot Purchases by Dealers— (Customers' sales)	
Number of Orders:	
Customers' short sales	289
*Customers' other sales	34,147
Customers' total sales	34,436
Number of Shares:	
Customers' short sales	10,184
*Customers' other sales	962,855
Customers, total sales	973,039
Dollar value	$36,619,040
Round-Lot Sales by Dealers—	
Number of Shares:	
Short sales	250
†Other sales	230,080
Total sales	230,330
Round-Lot Purchases by Dealers:	
Number of shares	324,930

*Sales marked "short exempt" are reported with "other sales."

†Sales to offset customers' odd-lot orders and sales to liquidate a long position which is less than a round lot are reported with "other sales."

Living Costs Down In Feb.

Living costs for the average family of wage earners and lower-salaried clerical workers in the United States fell 0.2% from January to February, according to the National Industrial Conference Board's report recently issued, which went on to say:

"The Board's index stood at 105.5 (1923=100), 22.7% above that of January, 1941, base month of the Little Steel formula.

"A decline of 0.8% in the cost of food more than offset the increases of 0.1% in clothing, 0.3% in fuel and light, and 0.2% in sundries. Living costs in February were 1.9% higher than a year ago.

"Purchasing power of the dollar, in terms of 1923 goods, was 94.8 cents in February. A year ago it was 96.6 cents."

Daily Average Crude Oil Production for Week Ended March 17, 1945 Increased 5,900 Barrels

The American Petroleum Institute estimates that the daily average gross crude oil production for the week ended March 17, 1945, was 4,773,915 barrels, a gain of 5,900 barels per day over the preceding week and an increase of 388,640 barrels per day over the corresponding week of 1944. The current figure, however, was 19,435 barrels less than the daily average figure recommended by the Petroleum Administration for War for the month of March, 1945. Daily production for the four weeks ended March 17, 1945, averaged 4,771,250 barrels. Further details as reported by the Institute follow:

Reports received from refining companies indicate that the industry as a whole ran to stills on a Bureau of Mines basis approximately 4,773,000 barrels of crude oil daily and produced 14,481,000 barrels of gasoline; 1,652,000 barrels of kerosine; 4,527,000 barrels of distillate fuel, and 9,042,000 barrels of residual fuel oil during the week ended March 17, 1945, and had in storage at the end of that week 53,411,000 barrels of civilian grade gasoline; 45,471,000 barrels of military and other gasoline; 6,852,000 barrels of kerosine; 26,483,000 barrels of distillate fuel, and 43,718,000 barrels of residual fuel oil.

DAILY AVERAGE CRUDE OIL PRODUCTION (FIGURES IN BARRELS)

	*P. A. W. Recommendations March	*State Allowables Begin. Mar. 1	Actual Production			
			Week Ended Mar. 17, 1945	Change from Previous Week	4 Weeks Ended Mar. 17, 1945	Week Ended Mar. 18, 1944
Oklahoma	363,000	363,000	†368,950	— 250	368,800	329,400
Kansas	274,000	259,600	†271,300	+ 19,850	260,000	284,150
Nebraska	1,000	----	†950	+ 50	900	1,350
Panhandle Texas			88,000	----	88,000	92,850
North Texas			149,300	----	149,050	142,600
West Texas			477,400	----	470,850	340,900
East Central Texas			146,700	----	147,000	116,600
East Texas			381,000	----	386,500	365,100
Southwest Texas			352,150	----	349,600	291,500
Coastal Texas			564,450	----	563,250	513,800
Total Texas	2,160,000	‡2,150,675	2,159,000	----	2,154,250	1,863,350
North Louisiana			70,150	— 500	69,850	76,200
Coastal Louisiana			295,650	----	295,250	283,950
Total Louisiana	360,000	401,800	365,800	— 500	365,100	360,150
Arkansas	80,000	80,317	80,300	— 900	81,200	79,700
Mississippi	53,000		51,500	+ 1,050	51,700	38,700
Alabama	300		250	----	250	25
Florida	----		15	----	----	50
Illinois	198,000		181,950	—19,350	199,150	207,700
Indiana	12,000		10,300	— 2,000	11,950	11,850
Eastern— (Not incl. Ill., Ind., Ky.)	68,200		66,800	+ 7,400	62,250	72,150
Kentucky	32,000		14,200	—13,050	25,850	19,100
Michigan	47,000		50,100	+ 3,800	46,950	53,750
Wyoming	100,000		105,600	+ 3,750	102,150	94,500
Montana	23,000		20,650	----	20,400	20,800
Colorado	9,500		9,900	— 350	10,000	7,900
New Mexico	105,000	105,000	103,850	— 100	103,900	112,850
Total East of Calif	3,886,000		3,861,415	— 600	3,864,800	3,557,475
California	907,350	§907,350	912,500	+ 6,500	906,450	827,800
Total United States	4,793,350		4,773,915	+ 5,900	4,771,250	4,385,275

*P.A.W. recommendations and state allowables, as shown above, represent the production of crude oil only, and do not include amounts of condensate and natural gas derivatives to be produced.

†Oklahoma, Kansas, Nebraska figures are for week ended 7:00 a.m. March 15, 1945.

‡This is the net basic allowable as of March 1 calculated on a 31-day basis and includes shutdowns and exemptions for the entire month. With the exception of several fields which were exempted entirely and of certain other fields for which shutdowns were ordered for from 2 to 15 days, the entire state was ordered shut down for 6 days, no definite dates during the month being specified; operators only being required to shut down as best suits their operating schedules or labor needed to operate leases, a total equivalent to 6 days shutdown time during the calendar month.

§Recommendation of Conservation Committee of California Oil Producers.

CRUDE RUNS TO STILLS; PRODUCTION OF GASOLINE; STOCKS OF FINISHED AND UNFINISHED GASOLINE, GAS OIL AND DISTILLATE FUEL AND RESIDUAL FUEL OIL, WEEK ENDED MARCH 17, 1945

(Figures in thousands of barrels of 42 gallons each)

Figures in this section include reported totals plus an estimate of unreported amounts and are therefore on a Bureau of Mines basis

District—	% Daily Refining Capacity Reporting	Crude Runs to Stills		§Gasoline Production at Ref. Inc. Nat. Blended	‡Stocks of Gas Oil & Dist. Fuel Oil	‡Stocks of Residual Fuel oil	‡Gasoline Stocks	
		Daily Average	% Operated				Military and Other	Civilian Grade
East Coast	99.5	752	95.1	1,980	5,200	5,163	6,290	7,470
Appalachian—								
District No. 1	76.8	101	69.2	316	358	225	1,309	1,209
District No. 2	81.2	62	124.0	205	107	156	608	902
Ind., Ill., Ky.	87.2	785	91.6	2,804	3,226	1,973	6,864	17,139
Okla., Kans., Mo.	78.3	391	83.4	1,418	1,620	1,143	1,760	7,868
Inland Texas	59.8	223	67.8	904	304	615	1,230	1,904
Texas Gulf Coast	89.3	1,151	93.0	3,307	4,912	6,654	11,098	5,476
Louisiana Gulf Coast	96.8	276	106.2	762	1,779	1,420	2,599	2,463
No. La. & Arkansas	55.9	69	54.8	195	797	289	945	2,219
Rocky Mountain—								
District No. 3	17.1	12	92.3	36	15	27	20	64
District No. 4	72.1	124	78.0	366	304	579	476	1,959
California	85.5	827	83.2	2,188	7,861	25,474	12,272	4,738
Total U. S. B. of M. basis March 17, 1945	85.5	4,773	87.9	14,481	26,483	43,718	*45,471	53,411
Total U. S. B. of M. basis March 10, 1945	85.5	4,777	87.9	14,557	27,001	44,150	44,586	†52,724
U. S. Bur. of Mines basis March 18, 1944		4,488		13,155	31,620	51,716	33,894	50,794

*Includes aviation, military, solvents and naphthas, and gasoline blending stocks currently indeterminate as to ultimate use, and 11,860,000 barrels of unfinished gasoline this week, compared with 11,869,000 barrels a year ago. †Revised. ‡Stocks at refineries, at bulk terminals, in transit and in pipe lines. §Not including 1,652,000 barrels of kerosine, 4,527,000 barrels of gas oil and distillate fuel oil and 9,042,000 barrels of residual fuel oil produced during the week ended March 17, 1945, which compares with 1,666,000 barrels, 4,887,000 barrels and 9,752,000 barrels, respectively, in the preceding week and 1,606,000 barrels, 4,637,000 barrels and 9,325,000 barrels, respectively, in the week ended March 18, 1944.

Note—Stocks of kerosine at March 17, 1945, amounted to 6,852,000 barrels, as against 6,976,000 barrels a week earlier and 6,855,000 barrels a year ago.

National Fertilizer Association Commodity Price Index Advances to Previous Week

The weekly wholesale commodity price index, compiled by The National Fertilizer Association, and made public on March 26, showed a moderate rise, advancing to the previous all-time peak of 140.1 in the week ending March 24, 1945, from 139.8 in the preceding week. Prices have remained practically horizontal during 1945 with the index fluctuating within only four factional points during the entire 12 weeks. A month ago the index stood at 139.8, and a year ago at 137.2, based on the 1935-1939 average at 100. The report continued as follows:

Higher quotations in the farm products group were largely responsible for the advance. This group index reached its previous high point, (reached Oct. 28, 1944) which is 4.2% higher than its 1944 average. Cotton prices advanced for the third consecutive week. Grains were fairly steady with a small advance registered for rye. The livestock sub-group was higher because of higher prices for cattle, calves, and lambs. There was an upturn in the foods index; the index has either moved downward or remained the same during the past nine weeks. Higher prices for flour and oranges more than offset the lower prices for potatoes. The textiles index showed a fractional rise. All remaining groups in the composite index were unchanged.

During the week eight price series in the index advanced and only one declined; in the preceding week there were four advances and three declines; in the second preceding week there were two advances and three declines.

WEEKLY WHOLESALE COMMODITY PRICE INDEX

Compiled by The National Fertilizer Association

1935-1939=100*

% Each Group Bears to the Total Index	Group	Latest Week Mar. 24, 1945	Preceding Week Mar. 17, 1945	Month Ago Feb. 24, 1945	Year Ago Mar. 25, 1944
25.3	Food	141.6	141.0	141.7	137.9
	Fats and Oils	145.3	145.3	145.3	146.1
	Cottonseed Oil	163.1	163.1	163.1	159.6
23.0	Farm Products	166.1	165.4	165.6	157.0
	Cotton	207.3	206.4	206.3	202.1
	Grains	163.7	163.6	163.7	164.8
	Livestock	160.3	159.5	159.8	147.1
17.3	Fuels	130.4	130.4	130.4	130.1
10.8	Miscellaneous Commodities	133.4	133.4	133.4	132.2
8.2	Textiles	156.1	156.0	155.9	152.2
7.1	Metals	104.7	104.7	104.7	104.4
6.1	Building Materials	154.2	154.2	154.1	152.4
1.3	Chemicals and Drugs	125.4	125.4	125.4	127.7
.3	Fertilizer Materials	118.3	118.3	118.3	117.7
.3	Fertilizers	119.9	119.9	119.9	119.7
.3	Farm Machinery	104.8	104.8	104.8	104.2
100.0	All groups combined	140.1	139.8	139.8	137.2

*Indexes on 1926-1928 base were: March 24, 1945, 109.1; March 17, 1945, 108.9, and March 25, 1944, 106.9.

Non-Ferrous Metals—WPB Sees Deficit in 1945 Long-Term Supply Situation—Zinc Quiet

"E. & M. J. Metal and Mineral Markets," in its issue of March 22, states: "Deliveries of major non-ferrous metals during the first quarter of the year have been so high that WPB officials are getting uneasy over the long-term supply situation. Last week WPB issued a requirements-supply report on copper that points to a deficiency of more than 200,000 tons in the tonnage available in 1945 to meet the heavy demands. Consumers, on the other hand, are following military developments in Europe more closely than ever and wondering whether the requirements estimates projected over the remainder of the year are not too high. WPB announced that it plans to dip into the stockpile of lead in April to bolster essential civilian needs. Zinc was quiet. Quicksilver was available at $152 per flask, duty paid, April shipment from Spain, a reduction of $3." The publication further went on to say in part as follows:

Copper

Except that estimates on March deliveries are still rising, with requests for April copper also high, the position of the market remains about unchanged. The stockpile is expected to drop sharply over the next month.

WPB has reduced its estimates on probable supply of refined copper available for 1945 and now holds that the requirements-supply outlook points to a deficit of some 208,000 tons for the year. Evidently the Copper Division expected larger importations, as well as increased domestic production, based on at least some improvement in manpower conditions at mines, mills, smelters, and refineries. Estimates on recovery of copper from secondary sources also have been lowered. In the industry, increased supplies were not thought likely until the second quarter gets well under way.

Lead

WPB announced that 25,910 tons of lead would be tentatively allocated in the second quarter of 1945 to bolster essential civilian requirements. This action would increase amounts of lead previously allocated for civilian storage batteries by 14,000 tons; cable covering by 6,300 tons; tetraethyl lead by 4,500 tons; and collapsible tubes by 1,100 tons. However, the requirements committee has definitely authorized increased allocations only for April. These definite authorizations include 4,666 tons for batteries; 2,100 tons for cable covering; 500 tons for tetraethyl, and 370 tons for collapsible tubes. Definite authorizations for the remainder of the second quarter will be considered around the middle of April. It was stated that a reduction in the stockpile will be offset by increased production from primary and secondary sources.

The Government has asked mining companies to increase output of lead. In the annual report of St. Joseph Lead, Clinton H. Crane, President, states that his company "has agreed to curtail development work and to continue to operate its mines beyond their economic limits."

Sales of lead during the last week amounted to 6,107 tons, against 11,577 tons in the preceding week.

Zinc

Until allocation certificates begin to move out of Washington, new business in zinc involving April shipment metal is likely to remain inactive. From present indications the requests for zinc from consumers have been for smaller tonnages than in recent months. There is growing apprehension among buyers over the outlook, due chiefly to the encouraging war news from Europe.

Tin

Exports of tin concentrates from Bolivia during February amounted to only 2,230 metric tons of tin contained, against 4,092 tons in January and 2,906 tons in February a year ago. The decline in shipments was expected and does not reflect a change in the trend.

In 1944 National Lead Co. disposed of its entire holdings of shares of Patino Mines & Enterprises, according to the annual report to stockholders. It also sold 191,040 shares of General Tin Investments, Ltd.

The price continued at 52¢ a pound for Straits quality tin, with forward metal nominally as follows:

	March	April	May
March 15	52.000	52.000	52.000
March 16	52.000	52.000	52.000
March 17	52.000	52.000	52.000
March 19	52.000	52.000	52.000
March 20	52.000	52.000	52.000
March 21	52.000	52.000	52.000

Chinese, or 99% tin, continued at 51.125¢ per pound.

Quicksilver

With March shipment metal from Spain now afloat, interest has shifted to the April position, which was offered at prices ranging from $152 to $155 per flask, New York, duty paid, depending on seller and quantity involved. There are at least three importers soliciting for business in Spanish quicksilver, which is interpreted in trade circles as signifying that the Spanish producers are no longer operating through a single sales agency.

The domestic market for quicksilver was about unchanged. The moderately lower price named for foreign metal was not reflected in quotations named in New York or on the Pacific Coast. Metal for April shipment from the Coast was maintained at $160 per flask, New York. Spot, New York, held at $163 to $165 per flask.

The Bureau of Mines estimated January consumption of quicksilved at 5,200 flasks, against 3,900 flasks in December.

Silver

The London market for silver was quiet and unchanged at 25½d. The New York Official for foreign silver continued at 44¾¢, with domestic metal at 70⅝¢.

Latest Canadian statistics place estimated production of silver for December at 1,226,960 ounces, making the total for last year 13,545,905 ounces. The figures are subject to revision.

Brazil Convention to Create Coffee Bank

From Rio de Janeiro, March 16 a wireless message to the New York "Times" said: "Continuation of the present coffee policy with financial aid to growers, abolition of the National Coffee Department and creation of the Coffee Bank were the main measures approved by the National Coffee Convention, which closed today.

"The proposed Coffee Bank would give financial aid to growers. The National Coffee Department will cease operations in June, 1946."

In Associated Press accounts from Rio de Janeiro, on the same date it was stated:

It was reported reliably today that the National Coffee Convention had voted favorably on a Government subsidy plan under which coffee exports would go to the United States at United States ceiling prices.

Under the plan the Government will subsidize coffee now held by exporters at 36 cruzeiros ($1.80) a sack, paying varying subsidies to planters on their coffee. These would range from 65 cruzeiros a sack in the State of Sao Paulo to 15 cruzeiros in Bahia and Pernambuco.

Revenue Freight Car Loadings During Week Ended Mar. 17, 1945 Increased 49,499 Cars

Loading of revenue freight for the week ended March 17, 1945 totaled 815,789 cars, the Association of American Railroads announced on March 22. This was an increase above the corresponding week of 1944 of 30,594 cars, or 3.9%, and an increase above the same week in 1943 of 47,655 cars or 6.2%.

Loading of revenue freight for the week of March 17, increased 49,499 cars, or 6.5% above the preceding week.

Miscellaneous freight loading totaled 405,052 cars, an increase of 21,394 cars above the preceding week, and an increase of 27,991 cars above the corresponding week in 1944.

Loading of merchandise less than carload lot freight totaled 108,380 cars, an increase of 10,728 cars above the preceding week and an increase of 2,270 cars above the corresponding week in 1944.

Coal loading amounted to 169,570 cars an increase of 12,445 cars above the preceding week, and an increase of 1,471 cars above the corresponding week in 1944.

Grain and grain products loading totaled 44,067 cars, an increase of 3,423 cars above the preceding week but a decrease of 891 cars below the corresponding week in 1944. In the Western Districts alone, grain and grain products loading for the week of March 17, totaled 28,822 cars, an increase of 1,870 cars above the preceding week but a decrease of 1,248 cars below the corresponding week in 1944.

Livestock loading amounted to 14,335 cars an increase of 1,068 cars above the preceding week but a decrease of 252 cars below the corresponding week in 1944. In the Western Districts alone loading of live stock for the week of March 17, totaled 10,875 cars, an increase of 922 cars above the preceding week, and an increase of 146 cars above the corresponding week in 1944.

Forest products loading totaled 41,905 cars a decrease of 538 cars below the preceding week and a decrease of 3,642 cars below the corresponding week in 1944.

Ore loading amounted to 17,080 cars an increase of 525 cars above the preceding week and an increase of 3,387 cars above the corresponding week in 1944.

Coke loading amounted to 15,400 cars an increase of 454 cars above the preceding week, and an increase of 260 cars above the corresponding week in 1944.

All districts reported increases compared with the corresponding week in 1944 except the Pocahontas and Northwestern. All districts reported increases compared with 1943 except the Pocahontas.

	1945	1944	1943
4 Weeks of January	3,001,544	3,158,700	2,910,638
4 Weeks of February	3,049,697	3,154,116	3,055,725
Week of March 3	785,264	786,893	748,926
Week of March 10	766,290	780,265	769,045
Week of March 17	815,789	785,195	768,134
Total	8,418,584	8,665,169	8,252,468

The following table is a summary of the freight carloadings for the separate railroads and systems for the week ended March 17, 1945. During this period 76 roads showed increases when compared with the corresponding week a year ago.

REVENUE FREIGHT LOADED AND RECEIVED FROM CONNECTIONS
(NUMBER OF CARS) WEEK ENDED MARCH 17

Railroads	Total Revenue Freight Loaded 1945	1944	1943	Total Loads Received from Connections 1945	1944
Eastern District—					
Ann Arbor	309	244	248	1,676	1,536
Bangor & Aroostook	2,945	3,018	2,777	659	258
Boston & Maine	7,224	6,890	6,274	17,169	15,822
Chicago, Indianapolis & Louisville	1,259	1,480	1,349	2,755	2,342
Central Indiana	38	49	28	41	38
Central Vermont	1,161	1,060	1,093	2,357	2,894
Delaware & Hudson	4,954	4,590	6,119	14,681	14,778
Delaware, Lackawanna & Western	8,092	7,389	7,542	13,072	12,844
Detroit & Mackinac	250	233	216	143	129
Detroit, Toledo & Ironton	1,971	1,800	1,884	2,327	1,592
Detroit & Toledo Shore Line	429	318	341	4,443	3,490
Erie	13,341	13,018	12,923	18,816	18,805
Grand Trunk Western	4,235	3,945	3,468	10,068	9,711
Lehigh & Hudson River	172	173	172	4,149	3,089
Lehigh & New England	2,073	1,882	1,868	1,606	1,588
Lehigh Valley	8,213	8,688	6,699	13,810	16,251
Maine Central	2,612	2,335	2,584	4,921	4,349
Monongahela	6,220	6,209	6,625	356	411
Montour	2,644	2,524	2,512	15	31
New York Central Lines	50,619	47,087	50,578	58,071	59,261
N. Y., N. H. & Hartford	11,605	10,178	10,038	21,142	20,680
New York, Ontario & Western	992	1,223	1,074	3,288	3,638
New York, Chicago & St. Louis	7,769	6,532	6,365	18,187	17,396
N. Y., Susquehanna & Western	513	471	361	2,579	2,598
Pittsburgh & Lake Erie	8,079	7,991	7,798	8,111	7,959
Pere Marquette	5,299	4,711	4,629	9,786	8,734
Pittsburg & Shawmut	796	712	629	16	14
Pittsburg, Shawmut & North	264	295	328	250	229
Pittsburgh & West Virginia	1,013	970	840	3,310	2,649
Rutland	401	358	351	1,270	1,117
Wabash	6,118	5,857	5,032	14,038	12,738
Wheeling & Lake Erie	6,218	4,771	4,975	5,377	4,584
Total	167,828	157,001	157,720	258,489	251,555
Allegheny District—					
Akron, Canton & Youngstown	*795	715	840	*1,411	1,340
Baltimore & Ohio	43,291	31,752	40,065	31,193	29,331
Bessemer & Lake Erie	3,196	2,878	3,167	1,822	1,384
Buffalo Creek & Gauley	†	†	325	†	†
Cambria & Indiana	1,634	1,753	1,971	10	12
Central R. R. of New Jersey	7,085	6,725	6,846	22,637	21,781
Cornwall	518	479	636	71	67
Cumberland & Pennsylvania	178	191	290	6	13
Ligonier Valley	112	123	133	55	62
Long Island	1,437	1,280	843	4,090	4,162
Penn-Reading Seashore Lines	1,952	1,602	1,681	2,719	2,603
Pennsylvania System	83,948	78,443	76,935	68,315	65,127
Reading Co.	15,357	14,830	14,504	32,461	30,526
Union (Pittsburgh)	19,333	20,144	20,601	4,687	4,002
Western Maryland	3,919	4,377	3,996	14,866	13,169
Total	182,755	175,292	172,833	184,343	173,579
Pocahontas District—					
Chesapeake & Ohio	27,768	28,355	28,757	15,220	12,434
Norfolk & Western	20,491	21,596	22,921	10,758	7,544
Virginian	4,455	4,599	4,804	3,159	2,442
Total	52,714	54,550	56,582	29,137	22,420
Southern District—					
Alabama, Tennessee & Northern	497	374	265	408	359
Atl. & W. P.—W. R. R. of Ala	900	834	781	2,670	2,462
Atlanta, Birmingham & Coast	1,071	778	611	1,664	1,619
Atlantic Coast Line	14,160	14,513	15,592	13,243	11,659
Central of Georgia	4,071	4,132	4,140	6,264	5,479
Charleston & Western Carolina	491	398	423	2,096	2,036
Clinchfield	1,597	1,571	1,725	4,015	3,357
Columbus & Greenville	276	263	324	286	254
Durham & Southern	224	130	121	761	1,005
Florida East Coast	3,792	3,996	3,227	1,548	2,089
Gainesville Midland	57	62	45	151	150
Georgia	1,065	1,296	1,148	2,632	2,778
Georgia & Florida	445	545	377	814	842
Gulf, Mobile & Ohio	4,523	4,207	3,500	4,298	4,632
Illinois Central System	27,329	27,897	25,643	18,333	18,690
Louisville & Nashville	25,649	24,246	25,136	11,965	12,614
Macon, Dublin & Savannah	184	212	188	975	1,073
Mississippi Central	338	268	201	482	702
Nashville, Chattanooga & St. L.	3,394	3,449	3,180	5,371	4,965
Norfolk Southern	1,078	996	1,241	1,648	1,800
Piedmont Northern	437	411	343	1,274	1,465
Richmond, Fred. & Potomac	497	430	430	11,659	11,834
Seaboard Air Line	11,920	11,111	10,883	9,791	9,444
Southern System	24,869	24,041	22,690	27,600	24,999
Tennessee Central	678	751	560	961	989
Winston-Salem Southbound	136	140	121	2,032	1,015
Total	129,678	127,051	122,895	132,941	128,311
Northwestern District—					
Chicago & North Western	14,904	14,921	13,275	13,454	14,591
Chicago Great Western	2,352	2,816	2,187	3,659	3,082
Chicago, Milw., St. P. & Pac.	20,797	20,014	18,266	10,734	10,863
Chicago, St. Paul, Minn. & Omaha	3,682	3,334	2,836	4,645	4,037
Duluth, Missabe & Iron Range	1,170	1,106	1,013	267	217
Duluth, South Shore & Atlantic	675	751	451	631	563
Elgin, Joliet & Eastern	9,324	8,645	9,057	12,698	12,761
Ft. Dodge, Des Moines & South	347	385	399	79	105
Great Northern	11,168	12,623	8,731	6,105	5,205
Green Bay & Western	*456	464	466	*960	952
Lake Superior & Ishpeming	285	281	181	68	62
Minneapolis & St. Louis	2,030	1,778	1,837	2,825	2,223
Minn., St. Paul & S. S. M.	4,502	5,236	3,557	3,663	3,736
Northern Pacific	9,059	9,641	8,177	5,544	5,547
Spokane International	246	107	91	476	535
Spokane, Portland & Seattle	2,244	2,466	1,852	3,718	2,874
Total	83,241	84,568	72,376	69,526	67,353
Central Western District—					
Atch., Top. & Santa Fe System	24,425	21,083	22,452	14,739	12,669
Alton	3,693	2,964	2,833	6,450	4,399
Bingham & Garfield	378	557	515	71	91
Chicago, Burlington & Quincy	20,185	18,136	18,536	12,742	12,427
Chicago & Illinois Midland	2,847	3,057	3,302	967	994
Chicago, Rock Island & Pacific	11,829	10,989	11,427	14,217	13,490
Chicago & Eastern Illinois	2,719	2,554	2,435	5,678	6,520
Colorado & Southern	826	746	696	2,107	2,052
Denver & Rio Grande Western	3,630	3,235	3,127	6,709	5,980
Denver & Salt Lake	554	740	681	31	13
Fort Worth & Denver City	855	698	1,115	1,448	1,630
Illinois Terminal	2,478	2,063	1,866	2,140	2,181
Missouri-Illinois	920	1,037	945	889	611
Nevada Northern	1,157	1,762	2,112	110	139
North Western Pacific	714	766	976	887	767
Peoria & Pekin Union	10	15	35	0	0
Southern Pacific (Pacific)	28,630	29,783	26,582	16,020	14,166
Toledo, Peoria & Western	270	402	213	2,267	1,906
Union Pacific System	17,485	14,703	13,716	16,600	16,177
Utah	535	617	612	4	6
Western Pacific	1,774	1,853	1,966	4,740	4,009
Total	125,914	117,760	116,137	108,816	100,227
Southwestern District—					
Burlington-Rock Island	377	553	799	240	317
Gulf Coast Lines	6,729	6,067	5,520	2,778	2,450
International-Great Northern	2,854	1,778	2,216	4,056	4,347
Kansas, Oklahoma & Gulf	289	255	321	1,191	1,089
Kansas City Southern	5,133	5,850	4,608	3,144	2,717
Louisiana & Arkansas	3,434	3,028	3,181	2,739	2,635
Litchfield & Madison	352	317	336	1,284	1,030
Midland Valley	646	654	699	459	473
Missouri & Arkansas	144	194	117	398	482
Missouri-Kansas-Texas Lines	7,175	5,601	6,184	4,863	4,893
Missouri Pacific	16,697	15,361	16,574	19,979	20,807
Quanah Acme & Pacific	150	121	83	411	265
St. Louis-San Francisco	9,643	8,043	8,512	8,870	9,823
St. Louis Southwestern	3,332	3,023	2,917	7,157	6,867
Texas & New Orleans	11,029	12,283	13,480	5,610	5,790
Texas & Pacific	5,569	5,728	4,002	8,541	7,833
Wichita Falls & Southern	77	89	113	44	31
Weatherford M. W. & N. W.	29	28	29	35	47
Total	73,659	68,973	69,691	72,799	71,896

*Previous week's figure. †Included in Baltimore & Ohio RR.

Note—Previous year's figures revised.

Weekly Statistics of Paperboard Industry

We give herewith latest figures received by us from the National Paperboard Association, Chicago, Ill., in relation to activity in the paperboard industry.

The members of this Association represent 83% of the total industry, and its program includes a statement each week from each member of the orders and production, and also a figure which indicates the activity of the mill based on the time operated. These figures are advanced to equal 100%, so that they represent the total industry.

STATISTICAL REPORTS—ORDERS, PRODUCTION, MILL ACTIVITY

Period 1944—Week Ended	Orders Received Tons	Production Tons	Unfilled Orders Remaining Tons	Percent of Activity Current	Cumulative
December 2	189,731	154,682	484,811	94	94
December 9	173,669	154,822	501,946	95	94
December 16	137,936	152,695	480,929	94	94
December 23	126,115	149,031	451,891	94	94
December 30	109,895	88,105	471,289	57	93
Period 1945—Week Ended					
January 6	189,769	125,882	532,194	80	80
January 13	149,921	150,011	524,308	95	87
January 20	131,901	150,876	503,240	94	89
January 27	159,885	152,075	510,931	95	91
February 3	204,550	148,139	565,064	92	91
February 10	149,590	151,307	560,960	93	92
February 17	145,541	149,816	553,609	93	92
February 24	131,989	152,755	529,238	97	93
March 3	181,377	150,486	558,285	96	93
March 10	177,711	152,611	580,804	94	93
March 17	129,948	153,625	557,986	95	93

Notes—Unfilled orders of the prior week, plus orders received, less production, do not necessarily equal the unfilled orders at the close. Compensation for delinquent reports, orders made for or filled from stock, and other items made necessary adjustments of unfilled orders.

Civilian Jobs Down To 52 Million in 1944

Civilian employment in the United States last year receded more than a million from the peak average of 53,097,000 in 1943, although total employment reached a new record of 63,072,000 as the Armed Services and civilian Government employment continued to expand, according to an examination of recent trends by the National Industrial Conference Board.

Civilian employment in January of this year was about one and one-half million below that of January, 1944, according to the Board's preliminary estimate, but there was little change from December in the number of wage earners in the munitions industries.

Significant declines were found for 1944 in all major industrial job groups except transportation, where there was an increase of almost half a million. Manufacturing lost 759,000 workers from the average of 1943, while other declines were: Agriculture, 234,000; forestry and fishing, 15,000; mineral extraction, 60,000; construction, 412,000, and public utilities, 54,000. The total industrial decline from 1943 to 1944 was 825,000.

Employment in mining was the lowest in this century, and there were fewer workers in agriculture than in any year since 1901.

Transportation engaged 2,934,000 workers, the largest number on record, and there were slight increases in employment in trade, distribution and finance, and in the group of miscellaneous industries and services.

The increase of average total employment by more than a million in 1944 was accounted for largely by a jump of 2,077,000 in the figure for the service industries, a classification which includes the Armed Forces and Government employees.

Government Employment

Government civilian employment includes the Federal executive, legislative and judicial services, Government corporations and estimated employment of State and local governments, but excludes Federal employees outside continental United States, employees of private firms engaged in Federal Government construction, and fourth-class postmasters. The average for 1944 was 5.9 million persons.

Peak Government civilian employment of 6.1 million was reached in December, 1944, an increase of 49% from that of December, 1939.

Including the Armed Forces, Government employment in December, 1944, totaled 17.6 million, or 28% of total employment.

Lumber Movement—Week Ended March 17, 1945

According to the National Lumber Manufacturers Association lumber shipments of 483 mills reporting to the National Lumber Trade Barometer were 2.4% above production for the week March 17, 1945. In the same week new orders of these mills were 9.0% more than production. Unfilled order files of the reporting mills amounted to 103% of stocks. For reporting softwood mills, unfilled orders are equivalent to 37 days' production at the current rate, and gross stocks are equivalent to 34 days' production.

For the year-to-date, shipments of reporting identical mills exceeded production by 8.1%; orders by 13.6%.

Compared to average corresponding week of 1935-1939, production of reporting mills was 22.3% greater; shipments were 14.6% greater; and orders were 19.4% greater.

Items About Banks, Trust Companies

Lt. Howard C. Sheperd, Jr., son of Howard C. Sheperd, senior Vice-President of The National City Bank of New York, and Mrs. Sheperd of Bronxville, New York, was killed in action on Feb. 27 serving with the 21st Regiment of the Third Marine Division. Lt. Sheperd, who was 23 years old, enlisted in the Marine Corps Reserve in March of 1942 and entered active service at Parris Island in July, 1943. He was commissioned at Quantico in November, 1943, and went overseas in March, 1944.

Guaranty Trust Co. of New York announced on March 22 the appointment of J. Arthur McKaig as an Assistant Trust Officer.

The Manufacturers Trust Co., 55 Broad Street, New York City, was authorized on March 23 by the New York State Banking Department to open a branch at 46-25 Queens Boulevard, Queens, N. Y., on or after May 1.

Charles Somlo has been elected a Vice-President of Sterling National Bank & Trust Co. of New York. He is a former Vice-President of Manufacturers Trust Co. and more recently served with the foreign funds control of the Treasury.

For the first time in modern financial history, it is stated, a private banking firm offers the group thinking of executives of diverse business experience in taxes, reconversion, merchandising, marketing and other current or post-war problems to business men without charge. Walter E. Heller, President of Walter E. Heller & Co., says of the Heller Business Clinic: "We invite businesses and business men to make appointments and to bring us their troubles to see if a solution can be found through group thinking." Mr. Heller went on to say that there would be no obligations or solicitations of those who take advantage of this counseling service unless the company was specifically requested to go beyond the consultation stage. He also added that he expected that advice would be given, in a large number of cases where businesses would not need financing and that where the necessary financing could be obtained through regular banking channels, the Heller Business Clinic would so advise.

Wallace W. Tune, manager of business loans in the City Mortgage Department of the Equitable Life Assurance Society of the United States, has been elected a trustee of the Lincoln Savings Bank of Brooklyn, N. Y.

John K. O'Connor, President of the Oswego County National Bank, Oswego, N. Y., died on March 22 at the age of 58, after several weeks' illness.

Mr. O'Connor was President of the First National Bank of Oswego in 1929 until it was merged with the Second National Bank. He continued as President of the Oswego National Bank, formed by this merger.

At a meeting of the directors of the State Street Trust Co., Boston, held on March 19, William S. Trowbridge, Vice-President, Boston & Maine RR., was elected to the Board.

An increase in the quarterly dividend from 60 to 75 cents of the Harvard Trust Co., Cambridge, Mass., was recently announced by the bank, beginning with the dividend payable April 2.

The Boston "Herald" reported on March 21 that at a meeting of the Board of Directors of Old Colony Trust Co. of Boston, Mass., Samuel S. Hall, Jr., Financial Vice-President of New England Mutual Life Insurance Co., and Daniel J. Lyne, member of the firm of Lyne, Woodworth & Evarts and former President of the Bar Association of the City of Boston, were elected directors. William F. Keesler was appointed Vice-President.

Oliver Kinsey Badgley, President of the Caldwell National Bank, Caldwell, N. J., died on March 20 at 66 years of age.

Newark "News" advices of March 20 state:

Mr. Badgley, who was also Executive Chairman of the West Essex Red Cross Chapter, was elected a director of the Caldwell National in 1934 and became First Vice-President in 1936, succeeding to the Presidency three years later.

National Bank of Detroit has called a special shareholders' meeting for April 2 to consider a directors' proposal to increase the capital by issuance of 250,000 shares of $10 par value, said a special dispatch to the New York "Herald Tribune" on March 23, which added:

The new stock is to be offered at the rate of one for each four shares held.

General Motors Corp. owns 51% of the outstanding 1,000,000 common shares, but is reported contemplating sale of some of its holdings to the public through investment bankers, which would be a separate and distinct transaction from the capital increase to be voted on April 2.

Treasury to Grant Licenses Against Blocked Accounts

The Treasury Department announced on March 26, that it is prepared, in appropriate cases, to grant licenses for payments from blocked accounts in this country to creditors of business organizations and individuals in France, Belgium, and other liberated countries of Europe with which postal communications has been restored.

It was stated that, in general, an application for such a license should be supported by a payment instruction or other acknowledgment by the debtor executed after the date when the restrictions of General Ruling No. 11 were completely lifted on communications with the country where the debtor is located. If an application is based on a court judgment, evidence should be submitted that the debtor has received actual notice of the proceedings and has had a reasonable opportunity to appear.

Today's announcement does not apply to claims on persons in any country against which the United States has declared war.

Construction Contracts Awarded in February

A slight increase in the dollar volume of construction contracts awarded in the 37 States east of the Rocky Mountains during February as compared with the corresponding month of last year was reported by F. W. Dodge Corporation on March 23. The total was $146,957,000 last month as compared with $137,246,000 in February, 1944.

Substantial increases in nonresidential building, especially structures used for manufacturing purposes, hospital and institutional building, and commercial structures, were reported during the month.

Residential building construction continued at a very low ebb, contracts last month for such purpose amounting to only $19,300,000 in the States east of the Rockies.

The New England States, Ohio and Kentucky areas, southern Michigan, Minnesota and the Dakotas, and Texas showed marked increases as compared with the corresponding month of last year, the Dodge Corporation reported.

Congress To Inquire Into Food Situation

President Opposes Move

In both the Senate and House on March 19, moves were made for an investigation into the food situation. President Roosevelt, however, on March 20, made known that he did not favor Congressional inquiries into the matter, and according to advices to the Wall Street Journal from its Washington bureau, posed the question whether Congress could develop anything that is not already known about the matter. These advices added: "While disclaiming any intention to criticize Congress, the President said he would be very glad if Congressional committees should bring out some facts that are not already known. The public ought to know what has happened in food, he added, saying that he expected to have something further to say about this situation by Friday, (Mar. 23)."

In reporting that the Senate voted unanimously on March 19 for an investigation of food shortages, Associated Press accounts from Washington on that date stated: "Proposed in an effort to find a solution to tightened supplies of meat and other commodities, the resolution was approved by voice vote without debate. It provides $5,000 to finance hearings by a Senate Agriculture subcommittee.

A similar group inquired into food problems last year, Senator Lucas (D.-Ill.) said, in recommending quick acceptance of the proposal.

In the House too there was a swift reaction to the food situation and two members proposed investigations. Representative Anderson (D.N.M.) asked the creation of a special commitee to look into the food situation generally, and to check specifically into lend-lease shipments, foreign stockpiles, the government's order cutting civilian meat supplies 12% after April 1 and reported black markets in meat.

Representative Andresen (R.-Minn.) sought authority for the House Agriculture Committee to make a broad investigation and report its findings by April 1.

The Senate sub-committee to inquire into the food situation was named on March 20, and consists of Chairman Thomas, of the Senate Agriculture Committee as chairman; Senators Wheeler (Mont.) and Stewart (Tenn.). Democrats, and Aiken (Vt.) and Bushfield (S.D.) Republicans.

On March 20 Republican demands were made for single centralized food control, as to which we quote the following (Associated Press):

"We have no partisan desire in this matter," said Representative Jenkins of Ohio, chairman of the Republican Congressional Food Study Committee, as he and other members of the group issued their call for centralized control. It is the only way, they contended, to solve the problem of increasing food shortages and prevent greater ones from developing.

In the House, Representative Sabath (D.-Ill.), chairman of the Rules Committee, promised speedy consideration of three different proposals for investigations. Representatives Rees (R.-Kan.) and Andresen (R.-Minn.) proposed the agriculture committee be directed to make full inquiry of food supplies and demands.

National Foreign Trade Council Favors Adoption Of Bretton Woods "Substantially as Drafted"

Its Board of Directors Passes Resolution to This Effect, but Maintains "No Sound Appraisal Can Be Given to a Post-War International Program When Presented Piecemeal and Unrelated to the Whole." Holds Changes at This Late Date Involve Greater Risks Than Immediate Adoption.

The Board of Directors of the National Foreign Trade Council, at its meeting on March 20, adopted the following resolution concerning the Bretton Woods Agreements:

"The National Foreign Trade Council recognizes the need for extending aid and assistance to those foreign economies which have been devastated or disrupted by war. The welfare of the United States depends vitally upon the welfare of the world as a whole and our aid and assistance in restoring and increasing the world's productivity is motivated, therefore, by considerations of enlightened self-interest.

"The Council believes that this enlightened self-interest demands urgently the development of a sound and comprehensive foreign economic policy on the part of the American Government which will give account not only to the need for a healthy economy abroad, but also to the current and continuing needs of the American economy itself. We cannot prosper in a world impoverished; but in helping to put the world back on its feet we must not risk the dissipation of our own substance. Only if the American people are convinced that these considerations are held in proper balance, to the end of conserving America's resources and substance for the longer term, will confidence in the Government's intentions in the foreign economic field prevail.

"It may be argued that it is not desirable to make public such a comprehensive policy in all its essential details at the present time. Regardless of the validity of any such argument, the Council believes that the Government should declare itself unequivocally regarding the many elements which are inextricably bound together as part and parcel of our foreign economic policy. The Council further believes that it is desirable and quite practicable for the Government to indicate the global financial limits required to implement such a policy. Until many more of the elements of our foreign economic program are known and the magnitude of their impact on our domestic economy can be determined, no sound appraisal can be given to any single element in the program presented piecemeal and unrelated to the whole of which it is inevitably a part.

"It is against the background of these convictions that the National Foreign Trade Council is called upon to pass judgment on the Bretton Woods proposals. These proposals are incorporated in articles of agreement drafted after prolonged negotiations by the representatives of 44 nations, in line with an expression of purposes, as set forth in the agreement which are deserving of unqualified support as objectives. The agreements have now been submitted to the Congress of the United States for its approval, in the form of a bill entitled the 'Bretton Woods Agreements Act.'

"Despite the reservations held by many of the individual members of the Council with respect to technical and other shortcomings in the proposals themselves, and despite the reluctance the Council feels in passing judgment on a single measure which lacks coordination and integration with a broader pattern, the Council favors the adoption of this proposed legislation substantially as drafted. Rejection of the Act would involve prolonged delays in pursuit of the broad objectives sought and would lay the United States open to the charge of failing to cooperate internationally at a time when such cooperation is of vital importance not only to the world at large but also to the United States itself. Any modifications of the Act which would require renegotiation of the terms of the Bretton Woods agreements at this late date would involve risks greatly exceeding whatever risks may be involved in adopting them promptly and substantially as drafted in the proposed legislation.

"The Council believes, furthermore, that the possibility of failure of the Act to assist in accomplishing the expressed purposes of the agreements is minor when compared with the possibility of such failure from causes arising out of the many other factors which must be encompassed in the over-all program required for successful international cooperation. On this score, it is reiterated that the Bretton Woods Agreements Act is but a part of a complex pattern, many elements of which have not yet been exposed by the Government. Banking and monetary measures by themselves cannot provide the solution to the broad problems of post-war reconstruction and development, and the endorsement that is given herein to the Bretton Woods Agreements Act can be validated, as stated previously, only against the background of a forthright and comprehensive statement by intentions in these other and closely related fields.

"Such a statement should embrace the policies to be pursued on tariffs and other trade barriers; subsidies; Government bulk purchases; private and governmental international cartels; Lend-Lease operations and settlements; the Export-Import Bank; and governmental relief and credit operations of any nature. Until this whole broad program is exposed, the endorsement given herein to the Bretton Woods Agreements Act can have no other meaning or justification than the motive previously suggested—which is to avoid slamming the door on international cooperation at a crucial point in our relations with the rest of the world. And until the program is exposed, the Council will be reluctant to lend its support to any other single proposal which may meanwhile be advanced as a piecemeal and unrelated consideration.

"It is equally essential, of course, for the Governments of other nations to declare themselves with respect to their policies and programs in the field of international trade and finance. Only when these programs are known, and only when our own Government has made clear its over-all policy with respect to the nature and extent of international cooperation and collaboration, can intelligent and realistic appraisal be made of the opportunities for the expansion of international production and trade and the part to be played in such expansion by such institutions as those called for in the Bretton Woods Agreements Act."

Flynn Sees Pope Again

Pope Pius XII received Edward J. Flynn today for a second audience since the former Democratic National Chairman arrived in Italy. The audience, which lasted 15 minutes, was attended also by Myron C. Taylor, President Roosevelt's personal representative to the Vatican, according to Associated Press dispatches from Rome on March 24.